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THE FINANCIAL POST

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The Nation's Business

CCF Warns U.S. Capital To Stay Out of Here

Mr. Coldwell's recent addresses in New York and Washington will add to the serious damage which the CCF has already done.

Almost every financial institution can cite cases where American capital has been interested in going into new or productive enterprise here; in providing the capital resources to create new jobs for Canadians. In almost every case, after investigating the situation here, that capital has decided to remain in the United States. In almost every case the reason given for that situation is Mr. Coldwell's plans for his socialist utopia.

The effect of Mr. Coldwell's U. S. speeches undoubtedly will be further to deter American capital going into enterprise in this country.

Much of Canadian national development, much of the economic welfare of millions of Canadian citizens has been and is due to the investment of American savings in this country; to the enterprising energies and risk-taking capacities of American management.

From a revived flow of American risk-taking money we have as much to gain at least for the future as we have gained in the past.

In order to win political power and the chance to put through his revolution, Mr. Coldwell very naturally prefers that postwar Canada have chaos and widespread unemployment.

Naturally he is not concerned in the slightest about whether we get more job-making American money invested in this country. His plans call for giving nearly everybody a government job.

Until the mass of the Canadian votes make plain for all to see what they think about the CCF, Canadians might as well accept the fact that most of the foreign enterprise money is going to stay away from Canada. That of course means that Canada's capacity to give employment, "the foundation of all social security," will not increase as it otherwise would.

It takes at least $5,540 invested in Canadian manufacturing industry to provide a job for one worker, according to DBS figures. There are more than $3,300 millions of American money invested in this country. That represents the capital required to provide manufacturing jobs for some 400,000 people.

Anything that discourages new capital coming here is clearly in conflict with the interests of Canada and the whole Canadian people.

Canada gains no prestige by her flirtations with a political philosophy which the United States has similarly toyed with, has now abandoned and is moving away from as swiftly as possible. "New Dealism" is dead. American Socialism remains only among an insignificant fringe. The United States has swung back sharply to self-reliant individualism and the incentive system.

Mr. Coldwell's performances will have well advertised the fact that some Canadians want us to try experiments whose results are already well known—and disagreeable.

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MINING INDUSTRY NEEDS ENCOURAGEMENT

James Y. Murdoch, president of Noranda and other great mining enterprises, said well and bluntly many things about the Canadian mining industry which much needed saying. He was addressing the first of a series of Dominion-wide meetings to be held under the auspices of the Prospectors and Developers Association.

For it should be well known and a matter of concern to every Canadian that ore is being taken out of the ground a great deal faster than prospectors are uncovering new mineral areas; that prospecting is at a very low ebb; that failure to correct this situation will inevitably lead to results whose disastrous effects will touch thousands of Canadians and affect the whole Canadian economy.

Mr. Murdoch's protest against the stock racketeer was as vigorous as it was timely. Mr. Murdoch very properly attacked the kind of "Blue Sky" legislation which retards and discourages prospecting and mineral development.

But Mr. Murdoch brought out clearly the fact that the stock racketeer is the worst enemy of prospecting and of mine development; that his depredations must be stopped. He suggests a drastic remedy for the present outrageous situation which The Financial Post has exposed.

MR. MURDOCH SPEAKS HIS MIND

"I think our governments should recognize that it is a part of human nature to gamble. Governments cannot legislate against a deep-seated human attribute and they should recognize this by abolishing most of the so-called security or "Blue Sky" laws. Surely Prohibition taught us that.

"Let our legislators pass laws providing for more complete and up-to-date disclosure. Let them be more restrictive as to the licensing of people who are given the right to approach people with a view of parting them from some of their hard-earned savings.

"The character and record of a man applying to be educated for the ministry, the law, medicine, engineering and so on, is very carefully scanned and considered before he is allowed to enter our schools of learning.

"Why should not even a more rigid examination and, say, quarterly checkup, be made of those who are given the right and privilege to sell securities to our people?

"Why should not violators of the laws and regulations governing such licences have no alternative except a jail or penitentiary term, the same as a member of the postal service of this country has no other alternative to face in case he makes a misstep?"

The stock racketeer who hi-jacks money that should be going into prospecting and mine developments is an enemy the mining industry and Canada cannot afford any longer to ignore.

The Ontario Securities Commission should at once make use of powers it now possesses, clean out the racketeers, which can be done any afternoon with a few strokes of a pen.

This preliminary piece of sanitary work done, then thoughtful and intelligent work can be done on the question of legislative changes.

No one, for an instant, can claim that the Securities Commission now lacks suitable authority to do the immediate job the mining industry, the whole business community and the people of Canada require.

• • •

THE MODERNIZED WAY OF BUYING VOTES

"One of the methods of Socialism is to attract votes by promising Paul a new heaven and a new earth at the expense of Peter. This is a modernized version of the old and probably more honest method of buying votes at a guinea a piece for the buyer at least spent his own money."

That comes from Sir Alfred Herbert, head of a machine tool manufacturing firm, in Coventry, England.

Britain has had half a century of experience with the Socialists, but the Herbert remark is just as true for Canada as for Britain.

The most outright piece of vote-catching bribery ever offered to Canadians is that put up by two CCF braintrusters, Frank Scott and David Lewis. In their recent book they say that in the postwar world the CCF should leave present income taxes rates on all earnings incomes over $3,000 a year, while income taxes on all earning less should revert at least to pre-war levels.

Ontario Aid For Mining Outlined

Mines Minister Proposes Death Duty Change and Security Law Revision

Four key proposals by which the Ontario Government hopes to revitalize mining were set forth by Hon. Leslie M. Frost, Ontario Minister of Mines, in a key address to the Canadian Institute of Mining and Metallurgy at Ottawa this week. They were:

1. Abolition of overlapping provincial succession duties so that fear of double taxation will not keep individuals from investing money in mining.

2. Retention but revision of security laws to ensure protection of the public against fraud — and to assure that the promoter and developer will not be strangled by a maze of regulations thwarting enterprise and new projects.

3. Revision of mine taxation so no unfair burden will discourage initiative, enterprise and capital.

4. A bringing together of the work of government departments with those of universities to maximize the usefulness of these services to the mining industry.

Explaining that under the present succession duties set-up, capital of an estate may be taxed by two or three provinces, Mr. Frost revealed that the Treasury Department of the Ontario Government has made representations to other provinces to correct this evil.

The belief was expounded that field of succession duties should be reserved to the province. The newly created section of statistics and research was reported co-operating with treasury department officials on the question while it is intended to tie in with the economics depart-

(Continued on page 3)

BOARD OF TRADE PRESIDENT

Robert Fennell is new president of the Toronto Board of Trade for 1944. Of the legal firm of Fennell, Porter & Davis, the 52-year-old K.C. has a wide business career behind him. Vice-president of the National Life Assurance Co. and a member both of the Advisory Board of the Huron & Erie Mortgage Corp. and the Canada Trust Co., Mr. Fennell is also a director of Reliance Insurance, Toronto Carpet, Barrymore Cloth, Evershamp (Canada) Ltd., the Royal Alexandra Theatre and the Toronto Art Gallery. In his spare time, Mr. Fennell operates a big 500-acre stock farm near Lindsay, Ont., where he breeds polled Aberdeen-Angus cattle.

New Deal Ready For Alberta Bonds?

Post Hears 3¾% Rate Plus Arrears Payment Approved by Government — Would Settle Eight Year Controversy

Main details of a scheme to refund the debt of the Province of Alberta have been arranged, The Financial Post learns in usually reliable quarters.

The deal would call for exchanging Alberta's outstanding obligations for new bonds bearing 3¾% interest.

Arrears of interest would be settled by making up the difference between actual payments made and the annual rate of 3¾%. The province has paid 50% of contractual coupon rates since June 1, 1936, a period of nearly eight years. Hence, on a nominally 4% bond, only 2% has been paid and the holder would be entitled to approximately eight payments of 1¾%, or $14 per $100 bond. In cases where the coupon had not been cashed, the payment would be for eight years at 3¾%, a total of $30 per $100 bond.

Social Credit Approves

It is understood the plan has approval of the Social Credit party in caucus, but that it may require additional legislation at the coming session.

In the most recent comparative compilation of the funded debt of Canadian provinces, Alberta's net debt stood at $141.4 millions, or $177.67 per capita. This compared with $180.09 per capita net debt for British Columbia, $225.84 for Saskatchewan and $148.42 for Manitoba.

Original rates of interest on Alberta bonds range from 4% to 6%. Under the terms of the Provincial Securities Act, all interest accruing after June 1, 1936 has been payable at one half the coupon, exception being made in the case of the 5% bonds due Jan. 1, 1959 of the Alberta and Great Waterways Railway.

Settlement Tried Before

Numerous attempts to settle the province's debt have been made previously, the stumbling block recently having been over the question of interest rate and settlement of arrears. Bondholders have been demanding a minimum rate of 4%. While there is no suggestion the bondholders' committee has approved the 3¾% deal, it is believed many private holders will be willing to accept it.

A major question in this, as in similar arrangements will be the heavy income tax imposed on any lump settlement of back interest. As yet, no information is available as to what method, if any, will be taken to deal with this problem.

New Food Plan Aid To Trade

Wartime Food Corp. Aimed at Speculation and Profiteering

To equalize distribution of fruits and vegetables to Canadian consumers and to eliminate any chances of profiteering and speculation, WPTB has handed over to the newly organized Wartime Food Corp., Ltd., control of the fruit and vegetable trade in the Dominion.

It is expected it will place marketing of fruits and vegetables on a much more equitable basis. Main office of the new Crown company is located in Toronto, with J. B. Lander in charge. A reorganization of the Crown company that handled the sale of Canadian cattle to the United States about a year ago, Wartime Food Corp. Ltd. will control imports of fruit and vegetables into the Dominion when shortages develop. It may either buy such products from abroad as they are needed and resell to the trade in Canada, or assume control of the supplies itself and see that they are distributed fairly to the Canadian consumer.

Question to the Trade

As a first step the company has sent out questionnaires to all wholesalers in the country, requesting figures of their imports of fruits and vegetables over the past two years. Presumably these facts will be used for allotting quotas to Canadian dealers.

Wartime Food Corp. also has power to step into the domestic market if necessary. It will have virtually complete control over the fruit and vegetable trade.

Needed a Year Ago

Toronto fruit and vegetable men believe formation of the company is a step in the right direction. They say, had it been in force a year ago, it would have done much to iron out difficulties that arose over the potato shortage.

Finance Minister Ilsley is expected to issue a statement next week explaining the operations of the corporation in greater detail.

Big Deal Denied Postwar Textiles

From Our Own Correspondent

MONTREAL. — Official denial is given to the report the Canadian textile industry would be called upon to provide $18 millions worth of textiles as part of Canada's $90 million over-all contribution to United Nations Reconstruction and Rehabilitation Administration.

Within recent months there has been a dropping off in war contracts, especially in woollens, and to a lesser extent in cottons, though rayon and other branches continue to fill a large volume of war contracts.

New Policy Clears Way For Bacon

But New High Premiums May Pave Way for Concessions to Other Farm Groups

By STAFF WRITER

OTTAWA.—Most important highlights of the new bacon program are the four-year contract with U. K. and the payment of $3 and $2 premiums per head for highest and second highest quality animals. Farmers are thus assured of the two things which had been lacking in the previous contracts, a long-term market for their quality hogs, and a higher price to offset higher grain prices and scarcity of feed and manpower.

What will be difficult to avoid will be pressure from other agricultural groups for higher bonus or price payments. The argument being used to justify the new bacon bonus is that it is paid for quality product and to stimulate immediate and postwar exports. The same argument does not necessarily apply in other lines but it is realized that the Government may be under great pressure just the same. Just how much fortitude will be shown in avoiding such pressure is a matter of conjecture.

To Channel for Export

The next problem is dealing with the domestic pork market. At present there are no restrictions on marketings such as were used prior to last fall to channel bacon into export. The only curb is the stipulation that to obtain the $3 and $2 bonus, farmers must market their hogs at an inspected or an approved plant which presumably is licensed for export. This ruling should bring the bulk of hogs into these plants in order to qualify for the bonus and from that point the Government will be in a position to see that the "big" packers put export needs ahead of domestic requirements. Even if no formal restrictions along this line are announced it is probable that as a result of meetings being held here this week, an informal curb will be placed on the flow of suitable export type bacon to the domestic market.

Two Difficulties

There are a couple of other difficulties:

In its new bacon order the Government has included "approved" plants as eligible for use in paying the bonus, as well as the "inspected" plants. From a practical standpoint it may be that these "approved" plants may prove more of a difficulty in glutting the domestic market with pork than is the case with inspected plants.

Politically, however, the Government will have to avoid the criticism of using its new contract and premium to boost the business of the big packer at the expense of the small.

It is considered a good omen that the Government is this week sitting down with the various bacon and hog producing interests to work out a solution to these very important administrative details.

Seek Longer Authority On War Good Disposal

Crown Companies For Disposal of War Goods Have Limited Life and Ottawa Plans New Over-all Authority — Propose General Stores Act

By KENNETH R. WILSON

OTTAWA. — A General Stores Act for disposal of surplus war goods will be one of the most important and perhaps controversial items before Parliament when it reassembles here shortly.

This is considered imperative to provide the necessary over-all authority to carry over into the post-war period.

Already, by order-in-council, the Government has created two bodies to deal with this problem. One is the Crown Assets Allocations Committee—an interdepartmental policy committee composed of top-flight civil servants and others. The second is War Assets Corp., a super-Crown company with head office in Montreal, to dispose of war plants, material, equipment, etc., as is from time to time declared to be "surplus."

But neither of these bodies is "permanent" in that their authority is based on a wartime Cabinet order. Clause No. 4 states, so far as the committee is concerned:

". . . Tenure of office of members shall be at pleasure and until Parliament shall have passed legislation dealing with surplus assets . . . etc."

Since the order also requires the "Minister" (in this case Hon. C. D. Howe) to report to Parliament within 15 days after it assembles, a proposed General Stores Act is expected to emerge which will set up in permanent legislative form an organization responsible over the long-term for co-ordinating existing surplus disposal organizations of government and charged with operating whatever machinery is deemed necessary to carry on this vast undertaking over the next 5, 10, 20 or 30 years.

Debate Powers of Act

A highly contentious point in the debate will likely concern nature and powers of War Assets Corp. and its relationship to whatever permanent organization is to carry out the wishes of Parliament in this matter. Even within the government service there is divided counsel as to whether the present plan of one over-all super-Crown company with a directorate of business and other representative citizens is desirable.

No matter how carefully decisions are made, there are bound to be differences as to whether certain plants, inventories or equipment were sold too cheaply, whether sales were made to the "proper" people. If there is a hue and cry that "big business" is subsequently making unduly "large" profits out of war goods paid for by taxpayers and subsequently disposed of at "low" prices, there will be legislative hell to pay around Parliament Hill as war surplus disposal operations come under annual scrutiny.

Military Surpluses

Another problem is how the surpluses of the three armed services are to be handled. It is thought a new permanent body may be formed to whom various subsidiary companies will be responsible. One of these would almost certainly be a Crown company similar to the newly formed War Assets Corp. and which would, in effect, become a

(Continued on page 3)

Fine Name May Hide Sly Stock Shyster

The most often used "rule" of the successful investor and speculator is "Who are the men behind the project?"

The answer to that question is the best protection the investor has for getting a fair run for his money; for avoiding loaded dice speculations.

What is their business record? What company do those men keep? If it be a mining project, what is their record for giving the public a fair deal for its money, in putting money into the ground for determining definite facts as to mine possibilities?

In the high pressure stock racket operations centring in Toronto at present, the public would do well indeed to find out the answers to these questions.

For behind the impressive-sounding names of certain stock promotion houses and investment "advisory services" are men whose names and records would be sufficient warning to prevent anybody from entrusting them with money for speculative or investment purposes.

Because some of these men have worked the "sucker lists" so often, some have found it desirable to change the company name or to put the name of some other individual as firm head.

In several cases, operators, who have just given the public a good trimming in one much-touted issue and under a name which is beginning to smell widely, blossom forth the following week under a new, impressive and innocent-sounding title which will make repetition of the operation easier.

(Continued on page 3)

Is Southern Pine a Threat?

Post Editor Visits Great New Pulp and Paper Area of U. S. to Appraise Real Threat to Major Industry

By JOHN E. LANGDON

Like a bogey, the threat of southern pine competition has been hanging over Canada's newsprint industry ever since the first test mill was established below the Mason Dixon Line some years ago. There were extravagant claims of unlimited raw material, cheap labor, easy distribution.

To find out just how much of this bogey was real and how much shadow, The Financial Post sent John E. Langdon on a 3,500-mile personal tour of the southern pine belt, which stretches through the south central states from the Atlantic seaboard to about a hundred miles west of the Mississippi. Mr. Langdon, who is Eastern Editor of The Post and who has been closely associated with the Canadian newsprint industry for two decades, has written a series of articles on southern competition, of which the accompanying is the first.

Is the newsprint industry likely to move to the southern United States where fast-growing pine has formed the base for a remarkably expanded kraft pulp and paper industry?

Will American publishers look to the south rather than to the north for newsprint paper supplies?

On the answer to these two questions hinges the welfare of one of the most important branches of manufacturing in Canada.

Vitally concerned are more than a score of Canadian communities from the Atlantic to the Pacific, a small army of workers, thousands of investors who have put their savings into this $400 millions industry. Every province in Canada is interested in the continued welfare of the newsprint industry. It is of national importance, for newsprint, aside from gold bullion, contributes more toward balancing Canada's international payments than any other product exported.

Newsprint not only is essential but vital to Canada's economy. What then is the answer to the two questions set out? Are we to take the threat of southern pine seriously?

There was only one way to find out—go south and see at first hand how southern pine is being utilized in manufacturing pulp and paper.

Less of a Threat

After travelling several thousand miles through the southern States, after talking with mill managers, timber operators and others who have grown up with the industry, I came away with these definite conclusions:

(1) All the talk of cheap wood, low cost labor and other advantages attributed to southern pine pulp and paper manufacture may have been true 15 or 20 years ago. Today, such is not the case.

(2) Further development of the southern industry will be limited.

(3) Newsprint, manufactured from southern pine, is not a serious threat to Canadian mills, which depend upon the United States as a market for some 80% of their production, but Canadian mills cannot afford to ignore it.

These are the broad impressions I received following a visit to southern mills, ranging from as far west as the Southland Paper Mills' new newsprint mill at Lufkin in the eastern part of Texas, to the huge kraft container mill operated by International Paper Co. at Georgetown, South Carolina. The mills which I visited represent about a third of the aggregate capacity in the south and included all the principal types of operation.

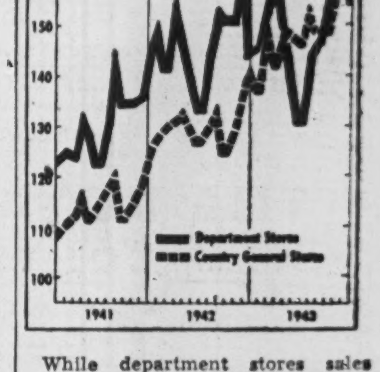
Still a Big Show

There has been much exaggeration of the southern pulp and paper development. But I saw one plant turning out nearly 30 million paper bags daily, another producing over a thousand tons of container board every 24 hours and a newsprint machine operating at better than 1,300 feet a minute. It is unwise to minimize the importance of the southern pine timber development.

Today pulp and paper forms one of the largest manufacturing industries in the revived economy of the southern States—once

(Continued on page 2, col. 3)

Pace of Business



While department stores sales continued their sharp gain throughout the latter half of 1942, those of country general stores fell off sharply from November on, according to the Dominion Bureau of Statistics. Poor crops and livestock marketing congestion were probably a factor from the buyers' standpoint, while shortages of goods to sell affected the country storekeeper.

See Pages 15 to 23 for Post report on Canada's Boot and Shoe Industry.

Is Southern Pine a Threat?

(Continued from page 1)

not much but the land of cotton, spirituals, mules and mint juleps.

Extraordinary changes have taken place in the last 20 years. No longer is the Deep South called "America's richest colony." The new south is an industrial south, and in the new picture the pine timber using industry is outstanding.

Covers Many States

This industry is to be found in a quarter-moon area extending south of Washington to the Gulf of Mexico and from the Atlantic coast westward to the eastern part of Texas.

Scattered through this area of 200 million acres of second growth pine and hardwood, are nearly 60 pulp and paper mills, many of them built in the last 15 years. They produce bleached and unbleached kraft pulps, brown and white kraft papers, container board, newsprint paper and even rayon pulps.

Fast growing, cheap wood and low labor costs attracted the capital to build these mills. Common labor at 25 cents an hour and wood as low as $5 a cord were ample inducements to start the southward movement of the pulp and paper industry. They offset less favorable cost factors such as power, steam and transportation.

Parallels Canadian Industry

Development of the kraft industry has not been unlike that of the newsprint industry in Canada; its growth has been almost as rapid. First mill to utilize fast-growing pine was not erected until 1909. Newsprint mills were operating in Canada many years before. Real growth of the Canadian industry, however, did not commence until 1912 when U. S. removed the tariff on imports. After that Canada's newsprint industry mushroomed, reaching peak expansion around 1926-1930.

When the Canadian industry started to slow down, the southern pulp and paper industry began to boom. This coincided with demand for container board. In the next 12 years the kraft container industry expanded tenfold. Along with it went a similar expansion of kraft paper and kraft pulp production. Today the southern industry has a capacity of around 10,600 tons daily, or a little more than two thirds the size of the Canadian newsprint industry, and representing an investment of over $200 millions.

Directed by Southerners

The men responsible for this growth are mainly southerners; operators who have little or no experience in the long-established northern mills.

Erling Riis, top operating man for International's powerful southern kraft division, came from Norway. After building a few mills in the northern States, he pioneered in the south, building the Bastrop and other mills in association with R. J. Cullen, who now heads International Paper.

Only "Canadian" in the southern industry, I find, is Texas-born S. W. Slater, manager of Southland Paper Mills' newsprint division. He received most of his training at Consolidated Paper's mills in the Saguenay and St. Maurice regions.

This group is young and aggressive. It has faith in the economy of the southern States. There is no doubt in their minds that ultimately and for a long time the centre of the American pulp and paper industry will be south of the Mason and Dixon line.

Used as Threat to Canada

Right now this southern area has a particular interest to Canadians for in the U. S. lies Canada's principal market for pulpwood, pulp and newsprint paper.

In recent years southern pine timber has been held up as a threat to Canadian newsprint operators whenever there is talk of a higher price for newsprint paper or when the American publishers feel they are being treated unfairly by Canadian mills.

As recently as last October 200 southern newspaper executives gathered at Hot Springs, Ark. They openly criticized Canadian newsprint operators who, it is contended, allowed a shortage of newsprint paper to develop to a serious point, aggravated by a rise in the price of newsprint paper. The publishers expressed themselves as being "victimized and penalized by a short-sighted policy on the part of Canadian newsprint producers." Accordingly they passed a resolution for additional southern newsprint mills.

Develop New Source

This is not an isolated instance. Development of a southern pine newsprint industry, I am told, has been well to the fore in the thoughts of American publishers in the last 10 years. This threat to Canadian industry took definite form in spring, 1939, when ground was broken for a newsprint mill at Lufkin, Texas. Supporting this venture with cash and long-term contracts are a number of southern publishers, including E. K. Gaylord, publisher of the Oklahoma City Oklahoman & Times, who has been feuding with the northern mills ever since the last war.

Prior to building the Lufkin mill satisfactory newsprint paper could not be made on a commercial scale from southern pine, I was told. That there was too much pitch and resin in the wood. That even if it could be made, the resultant paper would not be satisfactory for modern, high-speed presses. After three years opinion has changed; the south can produce newsprint paper, probably not as good as Canadian-made paper, but still a satisfactory sheet.

Lufkin in itself does not constitute a threat. But Canadian newsprint operators have watched the amazing growth of the southern kraft industry over the last decade and have wondered about their own position. So, too, have investors, for they want to know if expansion in the kraft industry may be paralleled in the newsprint field.

Next week Mr. Langdon will discuss the raw material supply of the Southern mills; costs, volume, handling, etc.

Murdoch Advises Tightening Granting of Security Licenses

An urgent need for new measures to rehabilitate Canada's mining industry was stressed by J. Y. Murdoch, president of Noranda Mines, in a Montreal speech to the Prospectors' and Developers' Association this week.

To facilitate scientific prospecting and to make mining finances more attractive, Mr. Murdoch suggested:

1. A revamping of mining finance methods with full disclosure of facts for the investor, abolition of most of the security laws, and a rigid quarterly investigation of those in the securities business to see if they were carrying on a legitimate business. Violators of laws and regulations should be given no alternative except jail, he stated.

2. Assistance for the prospector in the form of a central geological information office, airfields to facilitate his travel, and research into geophysical methods for discovery of ore bodies.

3. Schools for prospectors and practical miners in areas where it will be possible to draw on the youth of the country. It was pointed out that universities are financed by governments to train people to be lawyers, doctors, etc., so why not people to be prospectors?

On changed methods of mining finance, Mr. Murdoch said:

"Our governments should recognize that it is a part of human nature to gamble. Governments cannot legislate against a deep-seated human attribute and they should recognize this by abolishing most of the so-called security or 'blue sky' laws. Surely prohibition taught us that! Let our legislators pass laws providing for more complete and up-to-date disclosure; let them be more restrictive as to licensing of people who are given the right to approach people with a view to parting them from some of their hard-earned savings.

"The character and record of a man applying to be educated for the ministry, the law, medicine, engineering and so on, is very carefully scanned and considered before he is allowed to enter our schools of learning.

"Why should not even a more rigid examination and, say, quarterly check-up be made of those who are given the right and privilege to sell securities to our people? Why should not violators of the laws and regulations governing such licenses have no alternative except a jail or penitentiary term, the same as a member of the postal service of this country has no other alternative to face in case he makes a misstep?"

Mr. Murdoch would divide geological districts into geographical groups supplying each with a central information office with airfield facilities adjacent for the use of the prospector. "Such an arrangement, together with research and development of scientific geophysical instruments are necessary if we are to catch up on the valuable time that has been lost in an attempt to restore Canada's mining industry before it is too late," he declared.

More schools for prospectors should be established in areas which can draw from youth of the country whose parents, in many cases, cannot afford the expense of board, lodging and fees at the universities, he thought, and an important role for service men in prospecting after the war was outlined.

Dangers faced by the mining industry are very real, Mr. Murdoch pointed out. Attention was drawn to inroads into profits of mining made by municipal and federal tax authorities, before profits are distributed to shareholders, in whose hands the remainder is again taxable. On this situation, he suggested:

"The moment our legislators begin to think of us as a nation, rather than a conglomeration of small autonomous states, the sooner our people will begin to enjoy the prosperity and security our natural resources and geographical position entitle us to under intelligent and courageous leadership."

HEADS PROSPECTORS

Mrs. Viola MacMillan, newly elected president of the Prospectors and Developers Association, who succeeds her husband George A. MacMillan, president for the past two years.

Company Reports

Imperial Life

Business in force $344 millions.
Total receipts increase.
Assets reach $112 millions.

Business in force with the Imperial Life Assurance Co., including retirement annuities, rose almost $19 millions during 1943 according to the annual report issued this week. Assurances and retirement annuities purchased during the year at $35.1 millions compared with $32.9 millions in the previous year.

Assets increased $6.4 millions during the year. The company in 1943 subscribed $12 millions to the fourth and fifth Victory loans of which $11 millions were paid for, before the end of the year and are included in the statement. The balance, the report notes, will be taken up early in 1944. Mortgage loans comprise 7.36% of all invested assets. Of the total of $8 millions $6.6 millions are on business and residential properties in the larger Canadian centres and $1.4 millions on improved farm lands. Free surplus at $3.6 millions is about $200,000 higher. The rate of interest earned on invested assets was slightly above that of the previous year.

Important figures from the statement follow.

	1943 $	1942 $
Business in force	344,633,524	325,672,432
Business issued	35,146,947	32,978,759
Total receipts	17,789,354	16,199,390
Net prem. inc.	10,658,174	9,942,343
Int. divids., etc.	4,449,334	4,004,800
Policy payments	6,535,163	6,785,678
Death & dis. clms.	2,723,068	2,744,338
Maturities	1,017,655	980,312
Cash surrenders	1,322,118	1,612,118
Policy divids.	1,186,195	1,218,918
Assets	112,350,662	105,883,994
Bonds & debs.	82,678,476	73,836,396
Stocks	4,631,364	4,669,879
Mortgages	8,055,854	8,640,503
Policy loans	9,267,924	10,219,172
Policy reserves	90,006,618	82,186,261
Free surplus	3,659,299	3,454,308
Int. earned	4.14%	4.13%

Canada Cement

Years Ended Nov. 30

	1943	1942
Earned per sh. pref.	$4.72	$7.03
Paid	5.00	5.00
Earned common	d0.06	0.18
Working capital	$7,711,884	$6,190,936

(Previous year's figures bracketed below).

Continued increases in cost of production brought net earnings of Canada Cement Co. and subsidiaries down to $949,072 ($1,412,727) for the year ended by Nov. 30. An addition of $10,000 to the refundable portion of Excess Profits Taxes has not been included in this figure. A difference of 28c per share between earnings per share preferred and payments was made up from surplus. Volume of business rose during the year in Alberta and B.C., but dropped 29% in eastern Canada. Total business including exports was down 21%. Cement inventory which had been very low was brought during the year back to normal. The company's liquid position is good, but the president, J. D. Johnson, points out that capital expenditures and repairs deferred during the war may create a need to draw on liquid assets when labor and materials are available to undertake such work. No material change in the present downward trend of demand for cement is anticipated until the lifting of present building restrictions.

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Keeping Posted

Has Canada anything to worry about from the development of the great Southern pine pulp and paper industry in the southern United States?

The pulp and paper industry is Canada's largest manufacturing industry. We sell over 80% of our production to the United States. Is there danger of us losing this market or an important part of it?

The Financial Post recently sent its pulp and paper editor on a tour of the great pulp and paper mills of the southern United States, over 3,500 miles through Texas and the Carolinas.

John E. Langdon has been studying and writing about the Canadian pulp and paper industry for over 15 years. He is widely recognized as one of the outstanding Canadian authorities on this subject.

In this issue appears the first of his series of articles describing the Southern pine industry, analyzing its significance to the Canadian investor, to businessmen and to Canadians generally.

The general opinion is that on the construction industry depends to a very large degree the success Canada will have in coming through the difficult transition period between war and peace without serious economic dislocation, widespread unemployment, etc.

Certainly, the construction industry can be one of the great employment-givers. The place of the construction industry comes into almost every piece of postwar planning.

This week, the Canadian Construction Association is holding its annual meeting in Quebec, a meeting that may prove to be the most important in its history.

Attending to give an informed report and analysis for Post readers is Clive Chattoe, construction editor. He will have important articles in next week's issue.

* * *

Widespread commendation is being accorded The Financial Post's exposure of the activities of a gang of stock racketeers operating very largely from Toronto. From most of officialdom, from mining interests, from the financial community and from the public generally have come many expressions of wholehearted support.

Anything that hurts the mining industry is bad for Canada and right now the depredations of a group of stock pushers are the biggest handicap to mining development.

James Y. Murdoch, head of Noranda and other great mining enterprises, this week came out in a public address in support of The Post's contention that there must be full disclosure of information, that men permitted to sell stock should be carefully checked and culled as to their business record.

Valuable new information about the activities of the "loaded dice" stock operators is coming in daily and will be incorporated in further articles.

Special Paper Grants Totalled 216,292 Tons

Grants of additional tonnage of newsprint paper to American publishers by the War Production Board during 1943 totalled 216,292 tons, equivalent to about 7% of the total Canadian production for that year.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Winnpeg, Man.	Jan.	Nesbitt, Thomson & Co., Burns Bros. & Denton, Bartlett, Cayley & Co., and R. A. Daly Co.	2½%	1948	$200,000	100.3011	2.87%
			2½%	1954	240,000		
			3%	1953	800,000		
			3%	1954	300,000		
Chapman Sch. District	Jan.	James Richardson & Sons, Winnipeg	5%	1963	30,000	.....	....
Dominion—							
Canada Treasury Bills	Jan.	....	....	Apr. 14, '44	55,000,000	99.898	.407%
Provincial—							
British Columbia	Jan.	A. E. Ames & Co. and Syndicate (Sold in New York)	2½%	1947	3,000,000	.....	.....

New U. K. Loan Made by Nfld.

A surplus of $754,825 was reported by the Government of Newfoundland for December. This compares with $616,114 for the corresponding period a year ago. Revenues for the month stood at $2,486,462, against $2,469,059, expenditures fell to $1,731,637 from $1,825,945.

A further interest-free loan of $2.5 millions was made during December to the British Government for war purposes. Some $2 millions of this came from accumulated surplus, the remainder from the sale of War Savings Certificates.

This brings to $10.3 millions the total of loans made on this basis, excluding a free gift of $500,000 for the purchase of aircraft for the Newfoundland Squadron, RAF.

For the period from April 1 to Dec. 31, 1943, the secretary of finance reports a surplus of $4,002,346, compared with $6,372,614, in the same period 1942. Revenues for this period were $21,049,378 in 1943 against expenditures of $17,047,032. In the 1942 period revenues were $21,254,451, and expenditures $14,881,837.

Municipal Bonds

Jan. 18, 1944

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	116.00	119.00	3.58
Hamilton	5	1950	110.00	113.00	2.77
Montreal	5	1945	99.00	102.00	*
Ottawa	4½	1945	102.00	104.00	2.00
†Quebec	5	1959	115.00	118.00	3.45
Saint John	5	1950	106.25	109.25	3.50
†Toronto	4½	1955	123.25	126.25	1.85
†Vancouver	5	1970	115.50	118.50	3.88
Winnipeg	6	1950	113.50	116.50	3.12

†Payable Can. & N. Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.31	3.62
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.65	4.00
Can. Investors	5.37	6.25
Corp. Investors	6.15	6.85
Trans-Canada	11.00	12.25

EATON'S - COLLEGE STREET

JUST ARRIVED AT THE MEN'S SHOP

White Broadcloth Shirts

2.50 3.00 3.50

Toronto men will be glad to know of this brand new shipment of white shirts. Trimly tailored on full fitting lines of durable cotton broadcloths in popular collar attached style—some with "fused" collar, others with soft. Sizes range from 14 to 17 in the group.

Also separate collar style, each 3.50.
Three for 10.00.

OUT OF TOWN ORDERS PLEASE ADDRESS "MEN'S SHOP"

MEN'S SHOP

EATON'S - COLLEGE STREET

Editorial Opportunity

Good opportunity for man with some financial or statistical experience to write for outstanding business publication. War workers ineligible. Apply nearest Employment and Selective Service Office. Refer to H. O. 706.

Business Opportunity

Opening for Chartered Accountant willing to invest $15,000.00 to $35,000.00 with progressive engineering and manufacturing company. Guaranteed salary $5,000.00.

Box 39, The Financial Post, Toronto.

FOR SALE

Please let me have your best bid for 50 Common Shares of Allen's Toronto Theatres.

Box 35, The Financial Post, Toronto

Look again

MAKE SURE

Yesterday's plans for to-morrow may be out of date to-day.

Changes in family and business, altered resources and income, higher taxes and succession duties, new laws and regulations—all may affect the best laid plans.

Your Will is your plan for the future security of those you wish to protect. You owe it to your family to check your Will periodically in the light of changed conditions and when necessary amend it to better guard their interests and avoid needless loss.

Review your Will once a year.
Talk it over with us.

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Canadian Workers Speed The Tanks

In this war of machines, Canadian factories are participating with force. Tanks, armoured vehicles, and many other needed war machines are streaming forth to carry the fight to the foes of freedom. Manpower is the greatest factor behind the production of machine power—labour and management, shoulder to shoulder, in a struggle to out-produce the Axis. Throughout Canada in hundreds of branches six thousand men and women of the Bank of Montreal are helping by war-time banking service.

BANK OF MONTREAL

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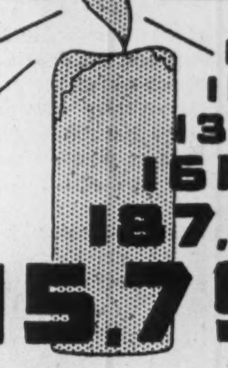
Modern, Experienced Banking Service . . . *the Outcome of 126 Years' Successful Operation*

A 176

A 9th Anniversary of Progress



41,935
76,904
100,695
104,620
118,238
139,271
161,058
187,531
215,793

The success of Sunday La Patrie has been phenomenal. From a modest beginning of 19,400, (circulation of its first issue, on January 6th, 1935,) it has climbed to its present total of 215,793 (average for the year 1943). (If it were not for necessary newsprint restrictions, it would be much higher).

The recent increase in price from 5c to 7c per copy *without loss of readership*, is proof of its popularity.

Today, it holds just about every possible record in the French Sunday newspaper field . . . first in circulation — first in local advertising — first in national advertising — first in dealer influence and first in reader interest!

If you want to cover French Canada, thoroughly, effectively and economically, Sunday La Patrie will do it for you . . . better than any other Sunday newspaper in the province!

Sunday LA PATRIE

MEMBER A.B.C.

Week-end circulation (Saturday & Sunday) 247,000

Valuable Booklets

☐ INVESTING for TOMORROW — Vol. 1 50c.

☐ INVESTING for TOMORROW — Vol. 2 50c.

These two booklets show how leading Canadian companies are adjusting their affairs to meet postwar conditions. 48 pages each.

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Shows you how to reduce taxes by careful planning; how to get relief. 16 pages.

THE FINANCIAL POST

481 University Ave., Toronto 2

Please mail number of copies indicated above to

Name ....

Address ....

I enclose $ .... in payment.

Stock Buyer Should Know Dealer's Record

(Continued from page 1)

Some of these men have no dealings with the public and their names and those of their firms are entirely unfamiliar to the public. They are "wholesalers." They do not have to be registered with the Securities Commission. Yet as wholesalers they have a great deal to do with directing the operations of three, four, perhaps half a dozen or more retailers who act on a unified policy and who carry out the actual depredations on the public.

This "chain" system of stock promotion "fronts" has magnificent advantages for the unscrupulous operator. The key man need never "take the rap" if the police or the Securities Commission should intervene.

The key man can arrange that this week all sales effort be directed to one stock; next week to another; and so on. This multiplies the opportunities for milking the public.

Furthermore, this affords maximum employment of the squad of high-pressure stock pushers. Moving around from "boiler shop" to "boiler shop" these specialists in telephone selling, in advisory service writing, in "the old lady" trade always have a full supply of issues into which they can put new clients, switch old clients, load, reload and so on.

The chain system also makes it possible for the stock racketeer to give his clients and the unknowing section of the public among which he specializes the impression there is a recognized "street" market for certain issues.

The amount of shuffling around in firm names which has taken place, with the same old gang of share-pushers plus some new ones still in the background, is a good indication of the profits in current share-pushing, as well as the standing of the operators.

For the public may well ask, "What's in a name unless there's something wrong with it? Why did you go to the bother of changing it?"

Case Histories

Here is one case:

This man was sentenced to five years for fraud. On release, and anxious to return to his old trade of share-pushing, he formed what he termed an investment advisory service. Such tipster advisory service operators do not require a license from the Securities Commission. The claim is made of course as loudly as possible that the advisor has no interest whatever in the issues urged upon the public.

Early in 1940 this man was granted permission and given a license to operate as a securities dealer. At the same time, he was allowed to continue his "independent advisory service" name.

With increasing profit possibilities resulting from the large number of people with unaccustomed wealth burning holes in their pockets and totally unfamiliar with speculation or investment, people with Victory Bonds to be talked into selling, people hoping to escape the burden of income taxes by making market profits, this operator expanded the scale of his business very materially.

Changes Name Under Act

When the Ontario Securities Commission finally decided that the advisory service name was undesirable and should be discontinued, a new name was allowed which effectively hid the former firm name and the proprietor's identity.

What does the Securities Act say about names and changes in them? Section 13-(1) (b) states:

"The Commission may order that, (b) the application of any person for registration shall not be granted where it appears that such person purposes to use or is using a trading name other than his own, or that of his partner, where such trading name is apt to lead the public to believe it is that of a business firm of longer established standing in Ontario, or is calculated to conceal from the public the identity of the applicant, or is for any reason objectionable."

Moreover, an overriding court ruling says security commission licenses to operate a stock selling business or to sell stock shall be granted only to persons "of good repute."

Without rehearsing this man's earlier record before he was locked up, we cite only one example of the kind of business he has been doing.

Miss X, an American resident had been a trial subscriber to this "independent advisory service." Then she received two long distance telephone calls from the stock selling end of the advisory service. They turned on the heat, urging immediate purchase of a certain stock at 58 cents a share. Miss X was of course not told this was another of the many cases where only five of her 58 cents were going into the mine treasury for development work.

Miss X was told the stock would reach $4 in a few weeks. Miss X bought $290 worth of the stock and was told to say nothing about her purchases. The tip was so hot that only a few clients were to be let in on it.

Promises Restitution

The stock's decline started not many days later. Then Miss X contacted the Federal Bureau of Investigation. A U.S. official visited Toronto, interviewed the operator behind the "independent advisory service" and the stock selling outfit. He promised restitution.

After a long wait, none was forthcoming. The Better Business Bureau followed up the case and very shortly Miss X got a cheque from the Toronto operator. It was not for the full amount, just for $100 "to show that I am acting in good faith," the operator said touchingly.

The cheque bounced.

Further negotiation and Miss X's very evident determination to go through with the matter eventually got a $100 cheque that did not bounce. Miss X still had $190 to get back but the operator did not appear to be answering any letters—of that kind.

This business of switching names when an old one gets too well known, when "sucker lists" get worn out is currently very common.

Reversing the Process

So is the reverse process of new share-pushing figures moving to take control behind the scenes and the same old name stays on the sales letters and on the securities registration. Men with long and odoriferous records of share-pushing, false pretences, fraud and assorted misdemeanors here, in Britain and in the U. S. are ensconced behind firms bearing names which exude respectability, integrity and strength.

Why the Ontario Securities Commission permits these racketeers to continue doing business under their own, let alone a new name, is something every citizen may well wonder.

But even more important is that the person willing to speculate money should investigate who he is speculating with.

Most gamblers play only where they believe the dice or the wheel to be honest. Most people investigate the doctor before entrusting to him their lives or their health.

It is elementary wisdom to find out about the man handling your speculations and investments.

Find Out About Your Man

Write the Securities Commissioner in your province and ask him some questions when you are being high-pressured into stock buying. You will be told to hurry, that there isn't time. Don't worry. For every dollar profit missed by taking time to investigate, tens of thousands of dollars have been lost by not investigating. You might enquire:

Is so and so registered to sell securities?

Is such and such a firm registered?

Who are the proprietors of the firm?

Have there been any convictions here or elsewhere against this salesman or the proprietors of this firm or any of its salesmen?

Have you had any complaints against this firm or its salesmen in the past five years?

What, if any are recorded, are the aliases previously used by such proprietors and salesmen?

How long has the firm operated under its present name and management? What was the previous name of the firm operated by that management?

Security Commissions which demur in answering any of those questions are falling down on their duty of knowing about the people whom they license to do business. Or they are refusing to do their public duty which is to serve and inform the investing public.

Meanwhile, the would-be investor approached by a salesman he doesn't know or a firm whose reputation he does not know would do well to ask his bank manager, the Board of Trade, the Better Business Bureau.

Seek Longer Authority

(Continued from page 1)

liquidating body for DM&S. Presumably if the powers of that company were redefined to include only industrial raw materials, plants, etc., then other parallel corporations would be needed to handle Army goods, Air Force establishments, Navy stores, etc.

Though it might be argued this would not be such a "neat" operation as giving complete, over-all responsibility to War Assets Corp., it may be considered an easier setup to handle from a political point of view.

Army Has Own Setup

At present, the Army has its own disposal organization. This is the administration which sells used army motorcycles at local armories and barracks. The other two services allow their surplus machines, equipment and supplies to be handled through a central government surplus disposal agency which has been in existence almost since end of the last war and is directed by the Comptroller of the Treasury. DMS also has its own disposal organization, set up originally to facilitate moving surplus supplies of tools, materials, inventory, etc., from one war plant to another.

Regardless of its form, it is thought there will still be need for an advisory committee such as the present Crown Assets Allocation Committee to be responsible for coordinating various government departments and advising on disposal policy generally. At present, J. Pettigrew is temporary chairman pending a permanent setup and naming of a full-time chairman.

So far as War Assets Corp. is concerned, J. B. Carswell, newly elected president, envisages his organization as the permanent over-all agency having five specific functions dealing:

1. With surpluses of war equipment proper from the three fighting services.

2. With all surplus camps, barracks, flying fields, buildings and real estate throughout Canada.

3. With munition plants and machinery now the property of the Crown under the jurisdiction of the munitions department, and its Crown companies.

4. With surpluses of raw materials and to set up stock-piling arrangements.

5. To deal with similar authorities in the United States and Great Britain to obtain as far as possible unified action in all three countries.

These are the functions now outlined in the present order-in-council. What is not yet determined, however, is whether the permanent legislation to be submitted next month to Parliament will actually follow this form.

In his first public statement as president of War Assets Corp., Mr. Carswell said:

"The policy for disposal of surpluses after the war will be one of compromise between the necessity of maintaining full employment, and the right of the taxpayers to see that valuable material, bought with good hard Canadian dollars does not go to waste."

Ontario Aids Mining

(Continued from page 1)

ments of universities in working out the many problems presented.

"Experience has taught us, and indeed very recent experience, that we cannot abolish our security laws," Mr. Frost declared. "The real promoters and developers ask to be protected from the fraudulent operator just as much as the investing public."

Announcing that the Government was tackling the problem of security regulations vigorously, Mr. Frost pointed out that security laws weren't meant to be a guarantee of economic success but were designed to protect the prospector and the investing public against fraudulent operators, thus assuring the investor an honest run for his money.

Turning to mining taxes, Mr. Frost pointed out that Ontario and its municipalities have both been hit by decreased revenue from the Ontario mining tax which is based on mining profits after Dominion taxes have been deducted. Historically, he stated, the mining tax was supposed to come off before Dominion taxes but the right had been temporarily relinquished during the last war and had not been reassumed since.

From his study of the tax situation, Mr. Frost felt that the Ontario mining tax should definitely come off first. Other adjustments he suggested in the tax field were an increase in the depletion allowance to 50% for both company and shareholder to assure a reasonable return of capital and the allowance of outside exploration as a deductible item of expense by the Dominion taxing authorities.

Close co-operation is being sought between Government departments and those of universities and Dominion Government in their geological and other work and an enlarged program of geological surveys, aerial surveys and mapping will shortly take form, Mr. Frost indicated.

Think Big

...when you plan for Canada's future

MAKE no little plans when you think of Canada's future. Think of fine, gracious, healthy cities . . . of a smiling, prosperous countryside . . . think of new highways, broad and straight . . . of modernized railroads . . . of new airways. Think of new centres of recreation and culture . . . of enlarged universities and new schools . . . new libraries . . . new parks and arenas. Think of a greater, a worthier nation.

For Canada, when this war is ended, will stand on the threshold of a splendid and challenging opportunity. The need will be there, the time will be ripe, for vast, unprecedented development. Willing hands will be there a-plenty, accumulated wealth will be there, national resources and the power to convert them to the general good will be there. Let us plan courageously when we figure out Canada's future.

Let us plan for lovelier, more labour-saving homes . . . plan for spacious and beautiful towns.

Let us plan for wider, safer highways, well-graded and well-lit . . . for modernized railroads, for greater electrification . . . for new bridges, new clover-leafs. Let us plan the spread of rural electrification until its benefits reach every farm and every hamlet.

Let us plan with vision for a richer cultural life. Let us plan new centres of science and art . . . colleges, laboratories, dramatic-centres, galleries. Let us plan, for leisure and health, new open spaces in our cities and towns . . . new sports bowls . . . new swimming pools. Let us plan the modernization of our factories, offices and stores—by re-equipment and reorganization . . . let us plan for lighter work yet greater productivity . . . for increased speed yet greater safety.

Let us plan for fuller living, greater opportunity, economic security.

While there must not be the slightest relaxation of our all-out efforts to win the war—we must plan and we must start planning now. We have had our lesson in unpreparedness. We must not gamble with peace as we gambled with war.

Many governmental, municipal and industrial groups already are planning. Many individuals are planning. But not enough. More planning, much more planning is needed. Whether we are houseowners, business operators, farmers, civic leaders—let us *all* plan for Canada's postwar future . . . let us plan with confidence, with courage—

For by planning today, we prepare ready-made markets for tomorrow—markets which will absorb our fullest productive effort, thus creating full and gainful employment for everyone.

CANADIAN GENERAL ELECTRIC CO. LIMITED

Public Bond Issues in Canada Since September, 1939

Item	First War Loan	Second War Loan	First Victory Loan	Second Victory Loan	Third Victory Loan	Fourth	Fifth (4) Victory Loan
	BOND ISSUE						
Campaign: Opening Day ...... Closing Day	Jan. 15, 1940 Jan. 19, 1940	Sept. 9, 1940 Sept. 21, 1940	June 2, 1941 June 21, 1941	Feb. 16, 1942 Mar. 7, 1942	Oct. 19, 1942 Nov. 7, 1942	April 26, 1943 May 15, 1943	Oct. 18, 1943 Nov. 6, 1943
Objective: Cash .... Cash & Conversion..	$200,000,000	$300,000,000	.... $600,000,000	.... $600,000,000	$750,000,000	$1,100,000,000	$1,200,000,000 ....
Applications: Cash .... Conversion .... Total	$320,266,100 53,300,000 373,566,100	$342,247,900 24,945,700 367,192,800	$730,376,250 106,444,000 836,820,250	$843,127,900 153,579,000 996,706,900	$991,389,050	$1,308,716,650	$1,383,275,250 188,036,300 1,571,311,550
Final Allotment: Cash .... Conversion .... Total	$200,000,000 50,000,000 250,000,000	$300,000,000 24,945,700 324,945,700	(2) (2) (2)	(2) (2) (2)	(2)	(2)	(2) (2) (2)
No. of Subscriptions:	178,363	150,890	968,259	1,681,267	2,032,154	2,669,111 (4)	3,033,051
(1) Details of Issue:	3¼% Feb. 1, 1948 to 1942 Issue Price: 100% & Accrued Interest	3% Oct 1, 1952 Issue Price: 98.75% & Accrued Interest	3% June 15, 1951 Issue Price: 100% Flat 2% Dec. 15, 1946 Issue Price: 99% Flat	3% Mar. 1, 1954 2¼% Mar. 1, 1958 1½% Sept. 1, 1944 Issue Price: 100% Flat, all Maturities	3% Nov. 1, 1956 1¾% May 1, 1946 Issue Price: 100% Flat both Issues	3% May 1, 1957 1¾% Nov. 1, 1946 Issue Price: 100% Flat both Issues	3% Jan. 1, 1959 1¾% May 1, 1947 Issue Price: 100% Flat both Issues
Details of Allotment: Multiple Maturity Loans	....	....	1951 Maturity $643,534,250 1946 Maturity $193,286,000	1954 Maturity $669,658,900 1948 Maturity $269,879,000 1944 Maturity $57,169,000	1956 Maturity $847,136,050 1946 Maturity $144,253,000	1957 Maturity $1,111,261,650 1946 Maturity $187455,000	1959 Maturity $1,201,453,550 1947 Maturty $369,858,000
(3) Marketing Costs of Issue	86.8 cents each $100 of Bonds	84.2 cents $100 of Bonds	$1.094 each $100 of Bonds	98.4 cents each $100 of Bonds	98.6 cents each $100 of Bonds	92.3 cents each $100 of Bonds	Estimated Not to Exceed 87.5 cents each $100 of Bonds

(1) Maturity premium features: In the case of the First War Loan 20% of the issue matures Feb. 1, 1951 at 100.50%, and a further 20% matures Feb. 1, 1952 at 101%. In the case of the First, Second and Third Victory Loans the bonds due 1951, 1954 and 1956, respectively, mature at 101%.

(2) All applications allotted in full.
(3) Amounts to Dec. 1, 1943.
(4) Preliminary, subject to final correction.

Investments

How Good Are The Papers?

With Montreal's pulp and paper index bursting into new high ground during the past week, a leading question is just why the papers should suddenly be so well regarded at the present time. The current level of around 133 compares with a 1943 high of 129.9, the 1942 low of 48.0, and the previous (1940) high of 152.6.

Current optimism in the papers seems to be based on the very real balance sheet improvement of the paper companies, currently adequate earnings, on the belief conversion to peacetime work will be easier than for many other industries, and that postwar demand will keep the industry operating above its present level, once the manpower shortage is solved.

About the financial improvement there can be little argument. Here are a few examples:

Back in 1932 Consolidated Paper had a working capital deficit of $10 millions; a debt of $52.9 millions; with earnings insufficient to pay bond interest. At the end of 1942 there was a working capital of $18 millions; debt had been reduced to $44.6 millions, while bond interest was earned 3 times before depreciation.

Since 1936 Fraser Cos. has doubled its working capital; reduced its debt by $3.8 millions and greatly improved earning power.

In the last seven years Price Bros. & Co. has built up its capital from $7.2 millions to $15.6 millions; cut its debt by over $2½ millions and improved earnings on its common stock by $3.62 a share.

The record of other companies follows the same general pattern.

Not only have the pulp and paper companies built up a strong position, but being in a depressed industry they are accorded favorable tax treatment; a factor of no little importance these days.

It is difficult to say whether or not the market has over-discounted the improvement. There are some bad spots in the outlook. What happens if the premium on American funds were eliminated? What about competition after the war from Scandinavian producers? What about surplus capacity?

Although few will deny these unfavorable possibilities exist, they certainly do not appear to be having much effect on the market at the moment.

* * *

The Alberta Deal

On page 1 we report the rough outline of a proposed deal on Province of Alberta bonds which appears to have a better chance of success than any of its many predecessors. Patient holders of this province's securities will not be likely to become unduly enthused over the prospects until they have a tangible offer in hand.

At the same time the province has flirted with plans of this nature for some time, and there is little doubt that representatives of both bondholders and the province would welcome any reasonable solution to the deadlock. This plan offers such a solution, since presumably it would be offered to individual holders and would not involve the bondholders' committee in a formal recognition of an agreement which may not be justified on economic grounds.

The Social Credit Government has likewise felt somewhat constrained to reject any proposal that violated its political stand. It is hardly surprising that settlement of such opposing interests should be difficult.

One feature of the plan as currently reported is that all bonds of the province would get the same 3¾% arrangement. This would mean that holders of 4% bonds would only sacrifice 1/16 of their maximum contractual interest, whereas holders of the 6% bonds would surrender about 21% of their interest claims. This discrepancy, which obviously favors the lower coupon bonds, may prove a stumbling block to general acceptance of the deal, if and when it is formally offered.

* * *

New High and Lows

In the week to Jan. 17 close, 38 Canadian listed industrial stocks made new highs for 1943-44, three made new lows.

NEW HIGHS

Bathurst Pr., A	Inter. Bronze, c.
Belding-Cort., pf.	Inter. Power, c.
Can. Bread, 2nd pf.	Inter. Paper, p.
Can. Cement, pfd.	Inter. Utilities, A
Canada Iron, c.	Muirheads, pfd.
Canada Malting	Murphy Paint, c.
Can. Int. Inv. Tr., c.	Orange Crush, c.
Conduits	Photo Engr.
Consol. Paper	Porto Rico Pr.
Dairy Corp., pfd.	Price Bros., c.
David & Frere, A	Silverwoods, c.
Dom. Textile, c.	Simpsons, A
Donnacona	St. Law. Pap., pf.
Fraser Co.	Standard Radio
Freiman, c.	Stedmans
Gt. West Sadd., pf.	Tooke (new)
Gt. Lakes Pap., pf.	Traders Fin., A rts.
Ham. Un. Thea., c.	United Corp., A
Indust. Accept., c.	Woods Mfg., pfd.

NEW LOWS

Alum. of Can., pfd. Beauharnois
Twin City R. Transit, pfd.

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Ottawa - Quebec - Sherbrooke

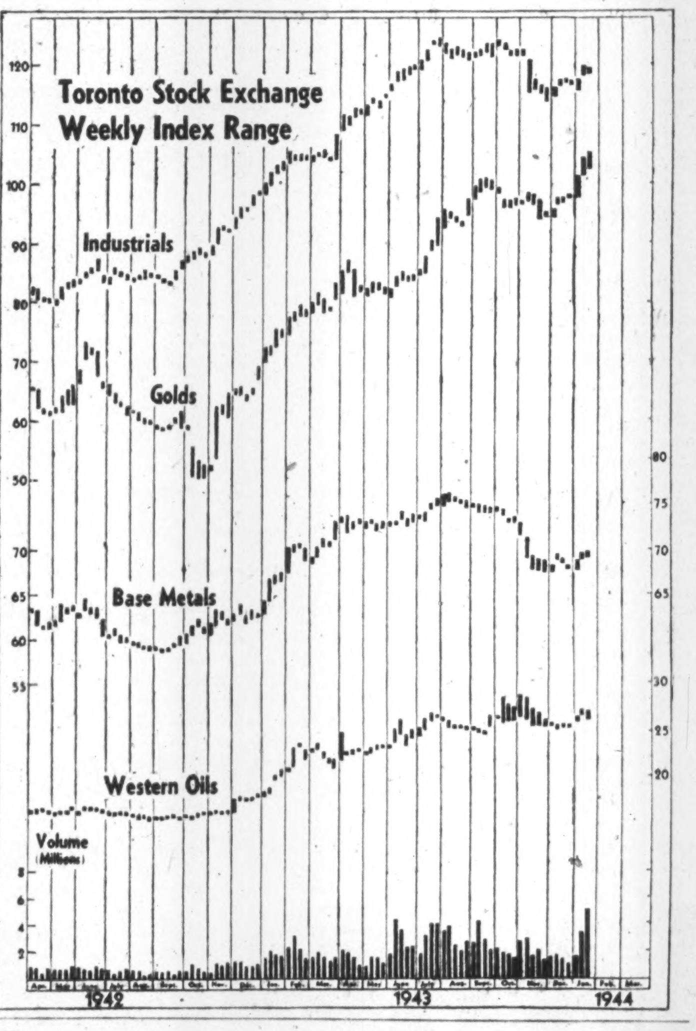
N. England Pr. Earnings Down

Operating Costs and Taxes Absorb Increase in Gross

While gross earnings from all sources in 1943 of New England Power Association will be somewhat better than in 1942, net earnings promise to show a decrease as costs have risen faster than revenue, Irwin L. Moore, president, advises shareholders. The rise in operating expenses comes not only from the increased volume of electricity and gas produced and increased vehicle miles of transportation operated, but also from the increased unit costs of these services as a result of increases in labor rates, taxes and the cost of fuel and other materials.

Fortunately, Mr. Moore states, good water conditions existed throughout most of 1943 which enabled the company to meet about a 4% increase in total electric requirements with close to 5% less steam generated and purchased power, with the attendant saving in fuel expense. Federal tax expense will show a sharp increase (about 25%), as a result of higher excess profits taxes, due to greater net income before taxes, in the case of some subsidiaries and reduced excess profits credit carryovers.

Mr. Moore states that better than $3,000,000 of funded debt and $1,000,000 of short-term debt have been retired during 1943. In addition to strengthening the financial condition, this will save fixed charges of about $175,000 a year.



Company Reports

Canadian Breweries

Years Ending Oct. 31

	1943	1942
Earned preferred	$3.03	$4.38
* After including refundable portion of E.P.T.—$63,000 in 1942; $334,500 in 1943.		
Earned preferred	*4.94	*4.75
Paid	3.40	3.20
Earned common	d0.067	0.28
Earned common	*0.40	*0.38
Working capital	4,002,206	2,017,283

(Previous year's figs. bracketed below.)

While operating profit of Canadian Breweries Ltd. rose to $3.3 millions ($2.6 millions) in the latest business year, the sharp increase in taxes to $2,220,500 ($1,197,000) resulted in a decrease in net available for distribution. Inclusion of refundable portion of EPT as part of current earnings, however, shows an increase in net profits to $864,267 ($777,564).

President E. P. Taylor states the company has observed the restrictions imposed on distribution of beer, and hopes the Government will reconsider the order in view of public disapproval of its effects.

An inventory reserve of $283,969 was set up during the year, and working capital improved sharply, largely as a result of the increase in funded debt to $5 millions ($1,375,000).

Commonwealth Pete.

Years Ended Sept. 30:	1943	1942
Earned per share	2.65c	5.29c
Working capital*	$268,444	$171,741

*Not including shares in subsidiary and associated companies.

A decline in net profit to $52,935 was shown by Commonwealth Petroleum the year ended Sept. 30, 1943. Profit previous year was $105,821.

Earnings of subsidiaries are reported by President F. F. Reeve to have been satisfactory but net earnings were reduced due to larger amounts written off development for several companies as permitted under new income tax regulations.

Financial position would now permit payment of a dividend, it is stated, but conservation of finances is stated to be warranted as the company and its subsidiaries have a large acreage of potential oil land.

Commonwealth Drilling Co. has been carrying on drilling for Wartime Oils and is also engaged in drilling a well on 30,000 acres held in the Lloydminster area.

Montreal Telegraphs

Year Ended Dec. 31:	1943	1942
Earned per share	$1.93	$1.85
Paid per share	1.92	1.82

Montreal Telegraph Co., whose properties are leased to and operated by the Canadian National Telegraphs, reports little change in revenue position during 1943. However, due to reduction in tax provision, net available for distribution on capital stock was slightly higher.

In his report to shareholders H. E. Rawlings, president, says the Province of Quebec's claim for corporation taxes, amounting to $26,518, was dismissed by the King's Bench (Appeal Side) but that the province has entered an appeal to the Supreme Court of Canada. The company contends that if any taxes are due, their payment is the responsibility of Great North Western Telegraph Co. or its operating successor.

Midland Loan

Years Ended Dec. 31:	1943	1942
Earned per share	$9.40	$8.02
Paid	8.00	8.00
Liabilities to public ..	$2,316,061	$2,232,932
Secured by:		
Liquid assets	954,407	795,438
Mortgages	2,367,958	2,423,387
Less excess liabs.* ..	104,660	92,891
	3,217,605	3,125,934

*Excess of current liabs. over other assets.

(Prev. year's figures bracketed below).

Net profits of Midland Loan & Savings Co., Port Hope, for the year ended Dec. 31, 1943, were increased to $33,842 ($28,869). Operating earnings stood at $185,019 ($186,263). Real Estate held for sale dropped to $3,740 ($6,509), and mortgages fell slightly to $2,367,959 ($2,423,387) Deposits rose to $441,527 ($377,732). S. R. Caldwell, president, stated that all mortgage investments held by the company are in the Province of Ontario.

National Life

**Business in force increased.
Expansion in total assets.
Rate of interest earned down.**

Annual report of the National Life Assurance Co. for 1943 shows business in force at slightly over $75 millions compared with $69.5 millions the year before. Total receipts were up $175,000, while policy payments declined slightly.

Mortality experience showed a slightly higher rate than in 1942, due, it is indicated in the report, to war casualties.

The report states that while total assets, including non-ledger assets, increased $910,757, holdings of Dominion Government bonds rose $1.3 millions. The company has invested heavily in Victory Loans and will continue to do so as long as necessary, the report says. This policy, however, is held responsible for a decline in the net rate of interest earned.

Policy reserves have been increased about $600,000 and now stand at $14.1 millions.

Important items from the report follow:

	1943 $	1942 $
Business in force ..	75,039,370	69,580,363
Total receipts	2,602,245	2,427,080
Prem. inc.	1,733,965	1,654,169
Int., divds., etc. ..	652,417	665,595
Policy payments ..	1,032,081	1,060,622
Total assets	15,648,370	14,737,613
Bonds	10,249,193	9,333,291
Stocks	1,254,344	1,177,496
Mortgages	1,781,569	1,620,135
Policy loans	1,286,905	1,524,534
Policy reserves	14,154,772	13,540,190
Surplus	478,422	327,494
Int. earned	4.03%	4.29%

Canadian Vickers Ltd. Clears Up Arrears

Official announcement is made by Canadian Vickers Ltd. that all bond interest in arrears, three semi-annual coupons, will be paid Feb. 1, 1944, together with the current coupon on the 6% first mortgage call bonds. Semi-annual interest installments to be paid are those which became due Feb. 1, 1941; Aug. 1, 1941 and Feb. 1, 1942.

It is estimated the payment on Feb. 1 will approximate $146.80 per $1,000 bond, after taking into account 6% interest on arrears of interest plus New York exchange as the bonds are payable in Canadian, Sterling and U. S. funds at the option of the holder.

New Winnipeg Loan Is Lowest Yet

From Our Own Correspondent

WINNIPEG.—Winnipeg has just completed the lowest cost loan in its history, it is announced by Mayor Garnet Coulter. Nesbitt Thomson & Co. were successful tenderers in an amount of $1,540,000 of 2½% and 3% bonds. The issue is divided into $200,000 two per cent bonds due Feb. 1, 1948, $240,000 of 2½% bonds due Feb. 1, 1949; $800,000 of 3% bonds due Feb. 1, 1953, and $300,000 of 3% bonds due Feb. 1, 1954.

The price tendered was $100.3011 per $100 which works out at a cost of 2.87% to the city.

The issue makes up the balance necessary to redeem an outstanding issue of £1,325,182 registered 4½% stock ($6,449,219.07). Accumulated sinking fund totals $4,780,987.02, to which is added $128,232.05, estimated net profit on exchange, bank charges, etc. leaving $1,540,000 to be raised by bond issue.

The syndicate headed by Nesbitt Thomson comprises also Bartlett Caley & Co., Burns Bros. and Denton Ltd., R. A. Daly Co. Ltd.

Other syndicates tendering were:

Syndicate	Price
Melady Sellers; Fairclough & Co.; Dyment, Anderson & Co.; McTaggart, Birks & Co.; Imperial Bank	99.67
Harrison & Co.; Pitfield & Co.; Midland Securities; Oldfield, Kirby & Gardner; Lightcap Securities	99.67
Royal Securities; Cochran, Murray & Co.; James Richardson	99.64
Bell, Gouinlock; Mills, Spence; McLeod, Young, Weir; Bank of Nova Scotia	99.31
Wood, Gundy; Royal Bank	98.88
Dominion Securities; Bank of Montreal; A. E. Ames & Co.	98.85

Notice of Redemption

GRATON ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT No. 13 OF SASKATCHEWAN 4% DEBENTURE BONDS

Notice is hereby given that pursuant to the terms of an agreement dated the 10th day of September, 1943, between the Board of Trustees for the Graton Roman Catholic Separate School District No. 13 of Saskatchewan and Perry S. Bower, representative of the holders of debenture bonds of the said School District, the Board of Trustees of the Graton Roman Catholic Separate School District No. 13 of Saskatchewan has elected to redeem and pay off on the first day of March, 1944, debenture bonds numbers 1, 2, 3, 4, 5, and 6, issued under the said agreement, and that accordingly, upon presentation and surrender of such bonds with all unpaid coupons appertaining thereto at the Bank of Montreal, Regina, Sask., on the first day of March, 1944, the Board of Trustees of the said School District will pay the principal amount of such bonds with accrued and unpaid interest to the said first day of March, 1944, and that after the date so fixed for redemption the bonds so to be redeemed shall cease to bear further interest.

Dated this 14th day of January, 1944.

GRATON ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT No. 13 OF SASKATCHEWAN.

By J. J. Gleason, Treasurer.

Market Comment

Industrials Lag Behind

Toronto and Montreal golds and the Montreal papers moved last week into new high ground for 1943-44. Industrials, base metals, western oils and utilities in both markets continue to lag behind, although a large number of industrial issues attained new highs, and the gains were not confined to highly speculative securities..

As has been stated in this column before, there is no fully developed "Dow Theory" of the Canadian market. If such a theory were developed, it would probably focus its attention on the movements of the industrial averages and regard the other indices as secondary, but confirming factors.

Under the circumstances, it would appear advisable to continue to take a moderately cautious view of the market, especially since volume is currently running three to five times as high as it was three weeks ago with price increases small in comparison.

* * *

Barron's, New York (The Trader): A good many market veterans have a rule-of-thumb that when the number of new highs each day vastly exceeds the new lows, a general movement toward higher levels is in process. Last week witnessed a considerable number of new highs, and comparatively few new lows.

* * *

Barron's, New York (The Dow Theorist): The Dow-Jones railroad average last week reached a new high on the rally from the November 30 low, while the industrials merely remained close to their corresponding high made the previous week. No new indications were given from the standpoint of the Dow theory, and the interpretation continues to be that we are seeing a long intermediate reaction in a bull market.

CAPITAL TRUST
CORPORATION LIMITED

In the Newsprint World

Consolidated Paper Corporation Limited ranks among the world's largest newsprint producers and has had an outstanding financial record in recent years.

1. Net current assets increased $13,833,957 in five years ended December 31st, 1942.
2. Corporation statements have shown no bank loans since 1939 compared with $19,403,625 on January 1st, 1932.
3. Net operating earnings in 1942 were equal to about three times bond interest requirements.

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Price: At the market, to yield about 6%

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Montreal Broker Loans Higher in December

Member firms of the Montreal Stock Exchange and Montreal Curb Market report collateral borrowings of $8.7 millions at the end of December. This was $520,000 higher than at the close of the previous month and $3.2 millions higher than at Dec. 31, 1942.

Put the Future on Ice
We have surveyed a wide number of securities and chosen a selected list which should maintain earnings after the war.
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Tariff Change Begun In U. S.

Amendment Will Permit Duty-free Imports of Lightweight Newsprint

From Our Own Correspondent

MONTREAL. — Light-weight newsprint paper made by Canadian manufacturers will, it is expected, shortly be allowed into the United States free of duty.

Under existing legislation only newsprint weighing between 32 and 35 lb. a ream is duty-free. This restricts imports of Canadian-made paper to "standard" newsprint.

Past First Barrier

By an amendment to the revenue bill, adopted by voice vote in the Senate, publishers may import duty-free newsprint paper weighing as little as 25 lb. for a quantity equal to 500 sheets each 24 by 36 in.

The bill now goes to the House for final approval.

With the use of the lightweight sheet, it will be possible to make available a larger yardage per ton of paper, thereby offsetting part of the enforced reduction in newsprint consumption and making for greater conservation of wood fibre.

National Steel Gets Contract

From Our Own Correspondent

MONTREAL.—National Steel Car has received a contract for construction of steel cars from the CN and CP Railways, according to President R. S. Hart.

The contract will offset recent cancellations by the Government for the manufacture of a particular type of gun mount. According to Mr. Hart, all the men who under normal circumstances would be laid off by the cancellation can now be absorbed in the car-building program.

Even if no more contracts are awarded for the year, the present orders are enough to keep the company busy for the rest of 1944, Mr. Hart states.

The contract with the CNR calls for 2,050 box cars.

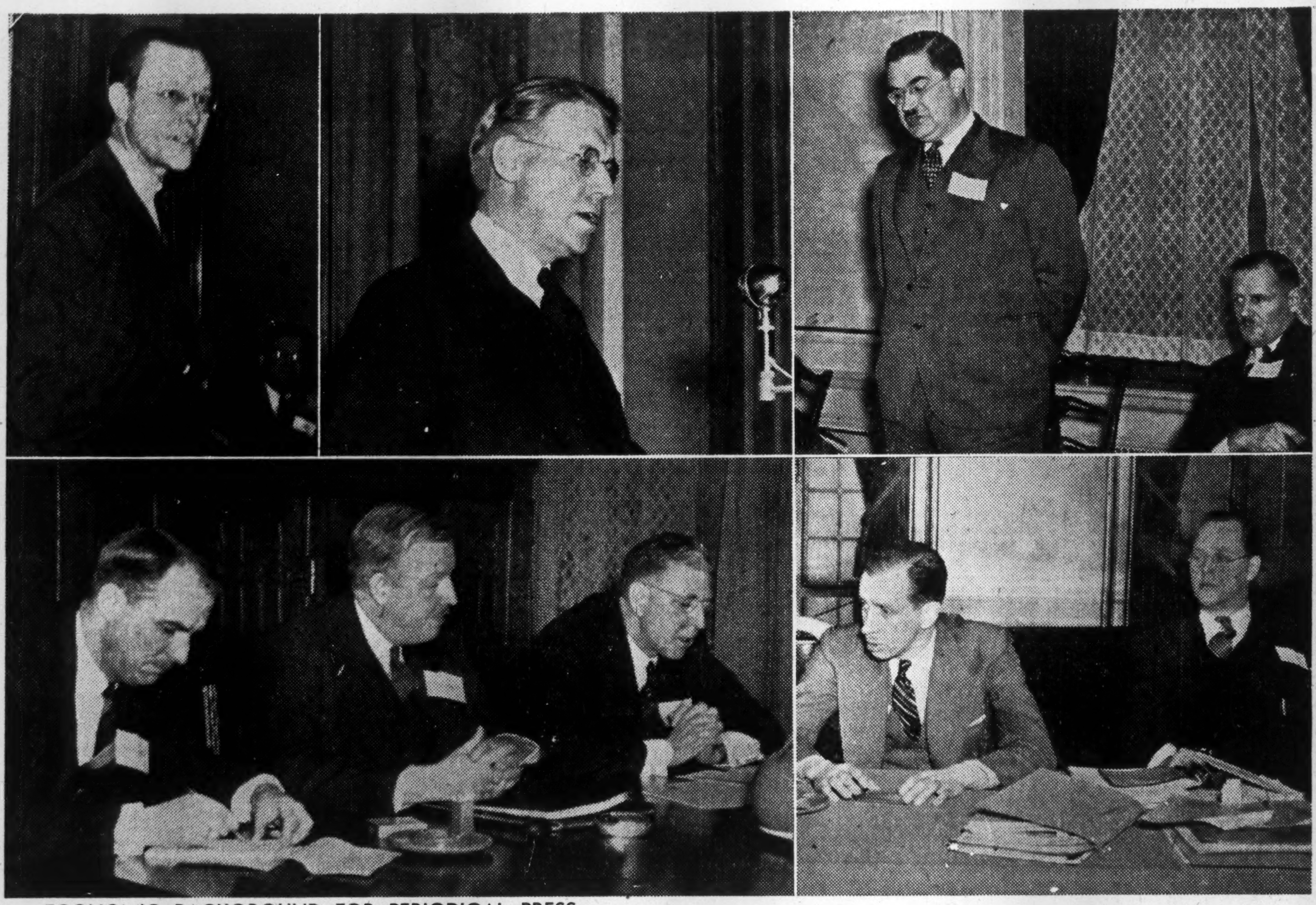
J. E. Fortin to Represent Windsor Bondholders

From Our Own Correspondent

WINDSOR.—Jules E. Fortin of the Dominion Mortgage & Investment Association, Toronto, has been nominated to succeed Archibald McPherson, of London, Ont., as the bondholders' representative on the Windsor Board of Sinking Fund Trustees. His appointment is expected to be confirmed by Hon. L. M. Frost, provincial treasurer.

The three-man board is composed of representatives of the province, the municipality and the bondholders. Mr. McPherson has resigned after representing the creditors on the board since 1937. His reason is not announced.

Magistrate D. M. Brodie, representative of the province, is chairman of the group. J. G. Moncrieff, former alderman, is municipal representative.



ECONOMIC BACKGROUND FOR PERIODICAL PRESS

At a two-day conference with the periodical press of Canada in Toronto last week, top government officials who direct the economic fronts of Canada's war effort gave editors and publishers an "off the record" account of wartime price controls, food problems and financing. Members of the Periodical Press Association had a one-day conference with officers of the Wartime Prices and Trade Board. The following day another conference with officers of the National War Finance Committee included periodical publishers and editors representing some 362 Canadian publications with a circulation of over six millions.

Pictures show, top, left to right: Graham F. Towers, chairman of NWFC, addressing the Thursday luncheon; Finance Minister Ilsley, speaking at the final dinner, and Donald Gordon, chairman, WPTB, speaking at the Wednesday luncheon session. Seated beside him is Floyd S. Chalmers, executive vice-president, MacLean Publishing Company, chairman. Below, left to right, are: R. F. Chisholm, co-ordinator of the distributive trades; Roy Geddes, chief of the supply division, and Douglas Dewar, chief of the prices division, WPTB, as they appeared before the Business Papers group. Picture at lower right shows K. A. Henderson, executive chairman, and S. E. Nixon, director of research, of the National War Finance Committee, at a round table discussion of Financial and Management Papers.

Dominion Costs Up $761 Millions

Total Dominion Government expenditures reached $3,822 millions in the period from April 1, 1943, to Dec. 31, 1943, as compared with $3,060 millions spent during the same months of 1942. Most of the $761 millions difference is accounted for by increased war expenditures amounting to $699 millions. Revenue rose from $1,630 millions to $1,962 millions, the chief increases being in income and excess profits taxes, which yielded an additional $181 millions.

For the single month of December, disbursements were nearly twice the $357 millions spent in December, 1942. An increase of $348 millions brought the grand total of expenditure to $704,591,081. The proportion of this increase due to war expenditure was even greater than for the eight-month period, as Canadian war expenditure plus amounts spent under the United Nations' Mutual Aid Act came to $651 millions. In Dec., 1942, disbursements for similar purposes were $308 millions.

United Corp. Ltd.'s outstanding 52,660 class A and 239,790 class B shares have been listed for trading on the Montreal Curb Market. These shares have been listed and traded on the Toronto Stock Exchange for about a year.

More Salmon For Canada Likely From 1944 Pack

B. C. Packers Reports Low 1943 Catch; Release of 200,000 Cases to Canada Expected to be Bettered Next Year

Salmon canning operations in British Columbia for 1943 are completed, it is stated by British Columbia Packers Ltd., who have issued the following report on the year's operations:

Plans are already being made to produce as large a pack of canned salmon as possible in 1944. The Canadian market is bare. It is anticipated a larger percentage of the 1944 pack of canned salmon will be retained for sale in Canada.

The 1943 season opened slowly and the run of red fish was small. The run of pinks coming late in August was very heavy and a large pack was secured, but the fall run of keta or chum salmon was disappointing. A total pack of 1.2 million cases was produced, almost half a million cases less than the 1942 total. Production figures for the years 1938 to 1943 for Canada, United States and the total world pack are as follows:

	Canada 000	United States 000	World Pack 000
1938	1,707	7,274	11,294
1939	1,539	5,971	9,728
1940	1,467	5,548	8,777
1941	2,248	7,797	Not avail.
1942	1,806	5,833	" "
1943	1,257	*7,500	" "

* Estimated. The Alaska pack completed is 6,500,000.

From the above figures it will be seen that in normal times U. S. and Canada produce more than 80% of the world total. Alaska produces about 90% of the total pack by the U.S. Figures of production in the Orient since 1940 are not available, but it was estimated in that year approximately 1.7 million cases were produced by Japan and Soviet Russia.

Production for Alaska and Canada does not always coincide. In 1941 a record was made by both U. S. and Canada, but while production increased in U. S. for 1943 over 1942 Canadian production was one of the smallest on record.

Operations in 1943 were difficult. Because canned salmon was considered a food urgently required, operations were frequently undertaken which were unprofitable in order to produce as large a pack as possible.

In excess of one million cases of canned herring were produced in 1943.

The canned salmon pack of 1943 was appropriated by the Canadian Government for delivery to the British Ministry of Food with the exception of 200,000 cases which are to be sold in Canada and 50,000 cases for delivery to the Canadian Red Cross, a can being included in every parcel sent to Canadian prisoners-of-war. Ten per cent of the canned herring pack is to be sold in Canada, the balance is being delivered to the British Ministry of Food.

Total deliveries of canned salmon and herrings for the B. C. industry for 1941, 1942 and 1943 are almost 8 million cases, or 400 million cans. It represents a contribution of nearly 40 pounds of canned fish products for every man, woman and child in Canada.

Lower Canada Gold Mines, south of Queenston and Upper Canada, is commencing a diamond drilling programme.

Merchant Tailors Elect R. L. Hewitt President

At the annual meeting of the Merchant Tailors and Designers Association of Toronto, following officers were elected:

R. L. HEWITT, president;
JOSEPH HALL, vice president;
CHARLES J. LLOYD, second vice-president;
CHARLES W. LLOYD, secretary;
C. W. CALLOW, treasurer.

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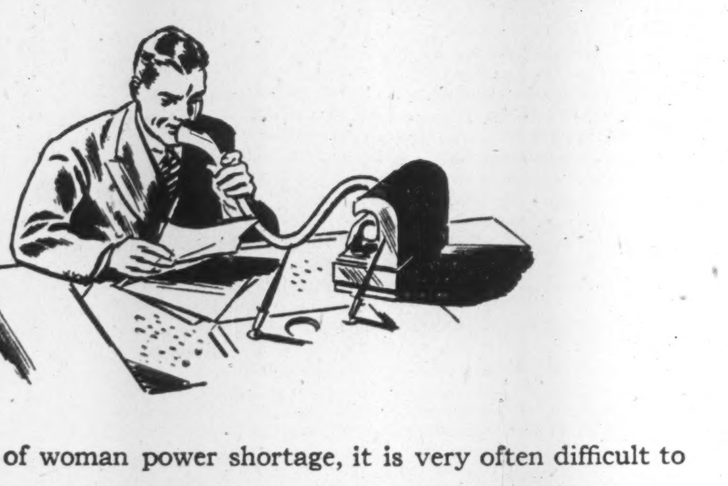

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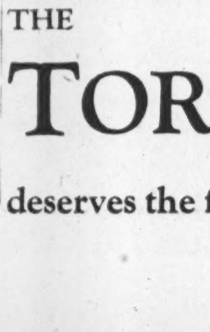
'The War Reviewed', by W. R. Plewman, has a widespread and respectful following. It is one of many exclusive news and editorial features which builds the Toronto Daily Star's circulation, now over 265,000 and by far the largest in Canada.



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The Editorial Page . .

Asleep at the Switch?

That the only chance Mr. Coldwell has for power lies in democracy being "asleep at the switch," was brought out this week in the speeches of three prominent Canadians.

Morris W. Wilson, president of the Royal Bank of Canada, pointed out that socialism's solution for a so-called banking monopoly of ten banks, is to substitute a monopoly of one bank, to be managed by the CCF politicians. The CCF remedy would create the disease that the party is pretending to cure.

F. H. Marsh, president of the Bank of Toronto, stated that there are some five million bank accounts and some four million insurance policies held by Canadians. Even allowing for the individuals who hold two or more deposit accounts or policies, it appears that the vast majority of Canada's working population has a personal stake in these institutions. Yet Mr. Coldwell's approach is designed to appeal solely to the debtor — and mainly to the narrow group of debtors who do not wish to honor their obligations.

Charles A. Roy, president of the Provincial Bank of Canada, pointed out that the fundamental political issue is whether we return to freedom and progress or intensify the centralized controls of wartime.

Mr. Coldwell's strategy is becoming clearer. Like his dictator models, he is talking softly at the start. Simultaneously he is loosing unsubstantiated attacks at all existing institutions. Within a fortnight, he has launched his barbs at insurance, banking, the army, the CPR and at U. S. companies investing in Canada.

From the CCF viewpoint, it does not matter that these attacks are unsupported. What the CCF gains from them is the advantage of initiative, plus a sense of confusion and mistrust among certain sections of the public. Coldwell's Kampf is a faithful copy of an earlier edition

The answer to a political raider of this type is the one that has been found for Hitlerism—a unified alliance of the groups and institutions being attacked. United fronts are not born until the affected parties reach a sense of mutual interest.

On Paying Debts

"Conditions are prosperous in southern Alberta in spite of the fact that the crop was only two thirds normal. This prosperity is reflected in the greatest progress in the payment of farm debts in the history of this area.

"Instead of gambling in land and wheat as was too often the case in the last war, farmers are cleaning up their old debts, putting money into Victory Bonds and preparing to meet whatever conditions may follow the end of the war. They are not going to be caught unprepared this time."

So says Senator W. A. Buchanan's paper, The Lethbridge Herald.

How foolish Southern Alberta debt-paying farmers would have seemed to the late Mr. Aberhart! How disappointed Mr. Coldwell must be! For he depends on debt burdens, on unrest, discontent, chaos and confusion to give him his chance to work his socialist miracle!

The obvious truth is that Southern Alberta farmers, like all other healthy-minded, self-respecting and energetic Canadians, don't like being debtors, and they do like being independent, self-reliant members of a democratic community.

Easing the Tragedy of Casualties

Within 36 hours of the time their big Lancaster came down in neutral Sweden, parents of the Canadian crew were notified that their sons were missing, believed interned, and confirmation of their safe landing followed within a day or two. This prompt and detailed reporting of casualties has been a feature of the RCAF, and it is a service which has been deeply appreciated by the next of kin.

Casualties are the inevitable tragedy of war and the gloomy forecasts of allied leaders that much heavier losses are to be expected shortly will probably prove only too true. But prompt and accurate reports, handled with tact, can do much to ease the blow.

Every time our planes are reported out over Europe, every time there is mention of an attack on an Atlantic convoy or that the Canadians are advancing in Italy, for days afterwards, thousands of wives or parents dread the approach of a telegraph messenger.

The authorities can do much to shorten this period of tension by making every effort to report casualties quickly and carefully. This is not always possible and especially with the army where large forces of men are scattered over wide and still dangerous areas. Occasionally there have been careless mistakes and delays, but on the whole and particularly with the RCAF and the Navy, this unpleasant but necessary task has been handled exceedingly well.

They Can't Take It

Editors all across Canada have been commenting on recent demonstration of how good CCFers are at handing out comments and criticisms and how poor they are at taking any. The Montreal Gazette puts it this way:

"The outraged indignation with which they react to any objection or opposition to their didactic proposals to make over Canadians in their own image, betrays their intolerance of any views differing from their own. It points to how thoroughly they would suppress, in power, any voice dissentive from their policies, program and action.

"The almost incredulous astonishment of CCFers at any hostile declarations or counter-criticism and their quite evident denial to others of the right to criticize as the CCF criticizes and denounces, reflect a fundamental strain of autocracy in the CCF hierarchy and autocrats have always been thin-skinned."

Several months ago, The Financial Post emphasized the same point when it said:

In disagreement with socialists, most democrats give them credit for sincerity in their beliefs, integrity and honor on their aspirations. In disagreement with democrats, however, most socialists credit them with moral and mental weakness, refusal to face facts, concern only for selfish interest or abject obedience to some "sinister" influence.

This socialist habit incidentally is most portentous when linked with writings in CCF gospels as to how, in the socialist state, opinion must be directed and freedom of expression is to be controlled.

A true story will illustrate the characteristic CCF attitude toward non-believers.

Two CCFers were talking about a possible recruit for party activities. A name was mentioned.

"But," said one, "I don't know whether she is CCF."

"Oh," exclaimed the other one, "she must be. She's intelligent, isn't she?"

In Some Ways, We're Different

A recent poll of theatre managers in Canada and the United States tended to support convictions many of us have held for some time and convictions on which businessmen constantly act. The poll was taken by the Motion Picture Herald, and quizzed exhibitors, not the movie-going public, on which stars were the most popular. Here is the ranking of the first ten stars in Canada and the United States:

	Canadian	U. S.
1	Greer Garson	Betty Grable
2	Gary Cooper	Bob Hope
3	Betty Grable	Abbott & Costello
4	Bob Hope	Bing Crosby
5	Abbott & Costello	Gary Cooper
6	James Cagney	Greer Garson
7	Walter Pigeon	Humphrey Bogart
8	Bette Davis	James Cagney
9	Bing Crosby	Mickey Rooney
10	Humphrey Bogart	Clark Gable

Canadian and American movie goers are in substantial agreement but there are striking differences. At the top of the Canadian list are two pretty solid dramatic performers, Garson and Cooper and both have recently appeared in pictures of war, patriotism, etc. Mickey Rooney doesn't rate in the Canadian first ten, nor does Clark Gable. Canadians have substituted for these two the more heavily dramatic Bette Davis and Walter Pigeon.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Industry HAS a Program

Herewith digest of a recent address by Walter Weisenburger, executive vice-president, National Association of Manufacturers, delivered at Second Congress of American Industry, New York.

There's nothing wrong with democracy, so long as the emphasis is on the first syllable, "democ"—"the people"—and not on the last syllable, "cracy."

There's nothing wrong with the business leadership in that democracy, so long as it emphasizes what the people want. The people want:

(1) Higher living standards; (2) Economic security; (3) Opportunity for jobs; (4) Economic justice; and (5) Personal freedom.

Those, too, are the objectives of management's program.

We hold that these deep-rooted desires of free men can only be achieved by striving in national unity for the highest results from a voluntary co-operative society, the basis of which is a free, competitive enterprise system.

This is no yearning for the "good old days." The man who advances into the future while looking backward over his shoulder makes a tempting target.

We're not looking backward — like Lot's wife — either to the thundering twenties or the dismal thirties. Least of all are we trying to "freeze the present"—preserve the "status quo"—which is simply Latin for the hell of a fix we've gotten into through bureaucratic planning.

Sure, we want the errors of the past corrected, but we want, as well, the victories of the past carried on to still greater results.

We can't make private enterprise better by throwing it out the window.

But where do honest-to-Pete jobs come from? From a supposedly benevolent government? From a dreamy program to share the wealth without producing it? Whenever we set out to dream up jobs for job's sake, we get into the realm of the mystic, and end up with very real debt, but very unreal employment.

This promise-weary generation is learning to reject mumbo-jumbo economics. Theory is no longer enough. with scientists, we insist that a theory must be proved.

Industry has proved a theory; it has taken jobs, mixed them with freedom and produced opportunity.

There was a time when just jobs weren't enough in this country. The American working man always had before him the incentive of being able to go into business for himself. This opportunity has almost vanished in the last decade.

Back in the roaring twenties, which was supposed to have been the age of big business when the little David businessman had no chance against the Goliath corporations, 36,000 Joe Doakeses a year were able to go into business for themselves and make a go of it. In the decade that followed 6,000 common men a year who had businesses lost them. The normal annual increase in employables of about 600,000 cannot be met with 6,000 a year fewer employers.

The chance for a small business to live, to grow bigger and to become a bigger employer has got to be restored if the employment problem is to be settled satisfactorily.

Our economic system is not a gang of "big shots" or an organization of "stuffed shirts." It is simply all the ways whereby we all earn a living.

"If capitalism," says Professor Frank P. Graham, of Princeton, "were allowed to repeat this performance (from 1870 to 1930) for another 50 years, it would do away with anything that according to present standards could be called poverty."

We can make enterprise freer, within the rights of society, more fully competitive, and more truly enterprising—all of which should make it more productive.

The test of good government, of good management, of good labor, should be—do their actions help production?

The National Association of Manufacturers' plan is built around more and more production, as the only source of jobs, high standards of living, and real security.

How do we get more and more production?

The NAM program prescribes five conditions for more production:

1. Encouragement of risk capital to provide tools for production.
2. Revision of tax structure to stimulate production.
3. Labor and management co-operation for maximum production.
4. Adequate social security for workers from production.
5. Freedom from bureaucratic control to permit production.

Cartoon by Grassick

KEEPING VICTORY BONDS MAKES THEM WORTH MORE TOO

Post-Scripts . . . .

Irish Miller

C. H. G. Short was a strapping young lad of 23 years of age when he landed in this country from his native Ireland in 1906. In the intervening years he has put on a little weight. He also has gathered unto himself sufficient knowledge and experience to rate him as one of the leading figures in the Canadian milling trade, a position recognized last week by his election to the post of president of the Lake of the Woods Milling Co.

MR. SHORT

Charlie Short, as he is known to his friends and they are legion, has acted as spokesman for the industry on many occasions, and has been consulted by the governments of more than one country interested in Canadian flour. He knows the grain trade. He knows milling and when he expresses an opinion, there may be some who disagree with him, but none question his authority to speak.

When he came to this country, one of his first jobs was in the printing and lithographing business. From there he went to paints and for a while was on the payroll of Brandram-Henderson Ltd. In 1919 he entered the milling trade, joining up with the Dominion Flour Co. Later this firm was taken over by Lake of the Woods Milling Co. and he became general manager of the subsidiary in 1925.

Ten years after Short entered the milling trade, his ability was recognized by his appointment as the permanent, paid president of the Canadian National Millers Association. He did not stay in this post very long. Two years later he was back with Lake of the Woods as assistant general manager. The following year, 1932, he became general manager and later was elected a director of the company.

At the time he rejoined Lake of the Woods, that company like others in the industry was in a somewhat difficult position owing to financial reverses: Today the company's earnings have been fully restored and its financial position is probably stronger than it has ever been. Short helped in no small measure to bring about this improvement.

Outside of the milling trade, he has taken an active part in the community life of his adopted city in Montreal. He has devoted much time to charitable affairs, while his interest in the city's progress was recognized a few years ago by his election to the post of President of the Montreal Board of Trade.

One thing that has helped Charlie Short along in life is a pronounced ability to express himself in public or privately. He has to be heard to be appreciated. His command of the English language is impressive; but no more so than his knowledge of Latin and the way he brings Latin "tags" into his conversation to express a point. All this is in between smoking a seemingly endless string of cigarettes in an aluminum holder. Charlie Short also is an avid reader. When he starts on one of his periodic trips to the west, he looks more like a book salesman carrying his wares, than one of the outstanding milling men in the industry.

• • •

B. C. Railroader

One of western Canada's most popular and widely known railroad men, C. A. Cotterell, assistant general manager of the Canadian Pacific Railway, has been elected vice-president of the Vancouver Board of Trade — the first active railroader to be so honored by the organization in many years.

MR. COTTERELL

No one knows the rail transportation problems of British Columbia better than Charlie Cotterell, for at one time or another he was superintendent of every one of the company's divisions with the exception of Vancouver Island, and his list of friends embraces not only the rank and file of railroad personnel from section hand to executive, but business and professional men throughout the West.

As a railroad man, he has made it his business to keep constantly in touch with all phases of the company's far-reaching operation and it is usual for him to spend two-thirds of the year "on the road."

It used to be said of him that he had three offices — two of them on wheels. One of those offices is on the third floor of the CPR building in Vancouver — a spacious room decorated with the pictures of top-ranking CPR officials and historic railroad scenes. Another office is his private car and the third is the track motor.

Some of these routine journeys have been eliminated from Mr. Cotterell's busy schedule since the appointment last year of W. Manson as general superintendent, but he wouldn't be Charlie Cotterell if he didn't keep his eye on just about everything that happens in the CPR sphere west of the Rockies.

And if there was ever trouble on the line—a washout perhaps or a rockslide—"CAC," as he used to sign his Morse messages in the old days, was invariably at the scene of action, in mackinaw and hip-boots, personally in charge, seeing that the job was done as he wanted it done. His disinclination to be a swivel-chair executive and his unfailing tendency to keep directly in touch with the work of the company in all its phases has inspired a high degree of loyalty among his fellow workers who swear by Cotterell's judgment.

Mr. Cotterell, like many another top-flight railroad man, took the telegrapher's route to promotion. His first appointment was to a tiny station in Quebec, but as early as 1898 he made his first contact with British Columbia, where he was to spend most of his career.

During the turbulent construction days in the Crow's Nest Pass Mr. Cotterell was posted to that section as telegraph operator, but he was not long in that capacity. The jumps to dispatcher, chief dispatcher and assistant superintendent were accomplished in short order, but during those years of early promotion he spent much of his time on the prairies, where construction and management of branch lines gave his executive talents a chance to assert themselves.

Returning to British Columbia, he became divisional superintendent in various divisions and by 1913 had become superintendent at Vancouver and was well on his way up. Five years later he became assistant general superintendent at Vancouver, in 1928 general superintendent and in 1934 assistant general manager, the post he has since held with distinction.

Go East, Young Man

Ontario born, western bred and educated, John A. Tuck, has just been appointed assistant general counsel of the Canadian Life Insurance Officers Association at 30 years of age.

MR. TUCK

As a young lawyer he came to Toronto from Edmonton six years ago looking for a job. He had a few letters to some of his fraternity brothers (Delta Upsilon), from Edmonton. Otherwise he was unknown. Somebody told him to see R. Leighton Foster, K.C., general counsel of The Canadian Life Insurance Officers' Association. He joined the staff six months later. Since that time he has steadily won his way to recognition in life insurance and financial circles. Since the war began he has specialized on foreign exchange control and trading with the enemy regulations as they are of interest to the life insurance companies in their world-wide operations.

Tuck was born at Niagara Falls. When about 18 months old he was taken to Camrose, Alberta where his father was appointed to the staff of the Normal School. Later his father moved to Edmonton where he is now vice-principal of the Edmonton Normal School and young Jack went along. He attended the University of Alberta where he was active in student organizations being business manager of the student paper tand treasurer of the students' union. Graduating with his Arts degree at 19 is itself quite an achievement. He then studied law and graduated from the Alberta Law School in 1935, being called to the Alberta bar in 1936.

Short, sturdily built, fresh faced, Tuck looks young but he is losing hair and he has a fine reputation for hard work, tact and mature judgment.

In 1938 he married Dorothy Reed of Edmonton. They have two children, a son four, and a daughter two. He is a member of the Toronto Board of Trade and two years ago was secretary treasurer of the Ticker Club, a "brain" group of Toronto men concerned with economic and financial problems. He is also a member of the Reserve Army and trains with the Toronto Scottish. Ordinarily he plays a bit of golf and does some skiing, but gasoline rationing and the extra problems war has brought to his job have curtailed his activities.

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Stop Me If . . . . .

A short-sighted man was trying out some spectacles.

"These," he said, are not strong enough for me."

"But, sir," said the optician, "they are No. 2."

"What is the next to No. 2?"

"No. 1."

"And after that?"

"After No. 1, sir, you will need a dog."

Other People's Views . . . . .

The Canadian Editorial of the Week

'Do We Want Government to Run Corner Bank?

The Vancouver Sun

If a CCF government were elected to office in Canada one of its first steps would be to socialize all the banks.

Then, says the CCF, we shall have all the benefits of a people's banking system.

This plan loses sight of an obvious fact —the control of Canadian banking already is in the hands of the people. The private banker no longer controls our money and credit system. He does not exist. That system is controlled by the people's bank, the Bank of Canada. The people do not own the private banks, but the credit policies of the private banks are directed by the Bank of Canada. Whether more money is to be circulated or less, whether loans are to be easily obtainable or not—the whole money system of Canada is directly and intimately supervised by the people's representatives.

The original reform now demanded by the CCF—national control of the national credit—already has been achieved.

But this is not enough for the CCF. It insists that the private banks must be owned and operated by the Government. Every bank on every corner must become a government department, managed by officials of the Government and directed by bureaucrats in Ottawa.

All bank loans would be determined by government officials.

The test will not be the soundness of the borrower or the prospects of the industry. The test will be the place of the borrower and the industry in the Socialist system.

We would have politics in every corner bank. Since all industry is dependent on banking for credit, we would have all industry, whether directly socialized or not, completely under the control of the government at all times. And all the losses and mistakes of the government banking system, all its bad guesses, all its defaulted loans, would be charged direct to the taxpayers of the nation.

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As Others See Us . .

Exposing Stock Racketeers

Evening Times-Globe, St. John, N.B.

The Financial Post, which is published at Toronto and is one of the outstanding business newspapers of this continent, has launched a campaign to have authorities crack down on phony stock promoters. It claims reform is needed in Ontario's security regulations and states:

"Ontario finds itself the hangout for a gang of stock racketeers busily and successfully despoiling people all across Canada . . . Some very notorious stock crooks with long records of financial racketeering have come to Toronto to take advantage of lenient securities regulation . . .

"Long-distance telephones are sizzling with the perfectly-rehearsed sales talk of a gang of telephone specialists who move around from shop to shop 'turning the heat' now on this stock, then on that . . .

"Some of these operators are specializing in getting war workers and others to sell Victory Bonds and buy the 'loaded dice' promotion currently being pushed."

Securities officials across the Dominion know these charges are true. New Brunswickers have not escaped the attention of Ontario's phony stock salesmen, nor have the people of any other province. These glib-tongued fakers have not only victimized a gullible section of the public, but have tended to discredit mining stocks generally, thus frightening capital which would otherwise be available for legitimate mining development.

Stock racketeers should be jailed, and if The Financial Post's fearless and vigorous campaign helps put them behind bars that newspaper will have done a fine service to Canada.

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The Myth of War Profits

Ottawa Journal.

The Toronto Financial Post publishes a compilation of corporation profits and dividends in Canada as prepared by the Bank of Canada. The pity is that the figures aren't circulated more widely. What they show (confirming what the journal has frequently said) is that talk about "monopolies" profiting from the war is just so much hooey; that owners of Canadian business are currently receiving 3% less income from their investments than in 1939.

The figures bring out that profits for shareholders have risen $32 millions in four years of war, but that $30 millions of that increase has been in profits of one company, the C.P.R., where it is being retained for postwar reconstruction and rehabilitation, to develop jobs for Canadian workmen. So far, not a dollar in dividends has gone to the C. P. R. common stockholder.

The Bank of Canada figures do not take in a few selected companies; they cover the operations of 628 corporations, including all those with assets of over $500,000.

The Mail-box . .

Tax Discrimination

In your issue of Dec. 18, front page, "War Profits a Myth," last two lines, viz: "A Nation which bonuses the spender and penalize the savers and investors eventually penalizes itself."

I am no better instance of this. Having been taught to save to try and make oneself independent at 60. I had reached these circumstances and now am penalized by having to pay 4% more than anybody on a salary, on anything over $1,500. And over and above I am not forgiven 50% of my 1942 income tax, when the other fellow is.

To forgive one fellow half of '42 tax and not the other fellow is to discriminate.

People in my circumstances (where you cannot get a job and salary), had their obligations they could meet and live. And I am sure we are willing to bear our share of the war cost, like the other fellow.

I think we would appreciate it if you had more writings on this subject.

G. E. Baptist.

Three Rivers.

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What The Papers Are Saying . . . .

Pay For Strikers Absurd

The Gazette, Montreal

Only in comic opera or a farce comedy would we expect to find such a zany idea as that being seriously discussed in (Montreal) civic circles — that the defeated City Hall "white collar" strikers should be paid for the time when they were disrupting the administration of city affairs with their ill-advised and illegal walkout.

There should be a clear cut decision and public declaration from the civic-provincial authorities responsible that no pay for the period of the strike is to be given to any employee who remained on strike. The basic principle of "no work, no pay" for all strikers, should be laid down and adhered to. Nor should there be any resort to the suggested subterfuge of giving them extra remuneration for overtime to catch up on the work they neglected for 23 days. Any other decision would be grossly unsound and cause widespread public resentment.

• • •

Don't Overdo It

Halifax Herald

While it is always desirable and useful to recognize service, merit and valor, there is such a thing as overdoing the granting of medals and decorations, honors and awards.

Of course, there is a great deal to be said for the striking of a medal, say, for the North African campaign, now concluded in this war, as it was perfectly right and proper to strike and issue the Mons Star during the progress of the war of 1914-18.

Nor can there be any particular objection to striking a service medal during this war to be granted to members of the forces who were early in the conflict, but there would be general deprecation of any proposal to expand the issue of service medals during the war and thereby "cheapen" what would otherwise be prized decorations.

Sayings of the Week

"The quality of your work is even more important than the quantity—and even the quantity is essential."—*Air Marshal W. A. Bishop, V.C., to an audience of Montreal aircraft workers.*

• • •

"Perhaps in the future it would be better if the slight flavor of a family picnic were absent from these meetings."—*Frank R. Kent, U. S. columnist, referring to social aspects of recent conferences of world leaders.*

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Canada's Name Stands High in Mexico

MacLean Man Finds Mexicans Eager to Deal With Dominion

David B. Crombie, of the Montreal staff of the MacLean Publishing Co., writes the following article from Mexico City where he has been investigating trade possibilities and reporting on developments there for this company.

By DAVID B. CROMBIE
The MacLean Publishing Co. Ltd.

MEXICO CITY.—Canada's reputation among Mexicans is at a high level. Business men are eager not only to learn more about Canada, but to extend their business relations with this country.

There is disappointment in Mexico, nevertheless, that no Canadian Minister has yet been appointed. Newspapers have three times noted in the past 18 months that one would be coming down—but nothing happens. Canada is the only nation in this hemisphere with no Minister in Mexico. Canada has not even a consulate.

The U. S. Embassy in Mexico, on the other hand, is second largest in the world at the present time, with over 600 employees. London is first.

* * *

Mexicans become more conscious of Canada when travellers reach here overnight by plane. Direct service from Toronto to Mexico City, which American Airlines is providing, shrinks the distance between the two countries.

There is another link between Mexico and Canada. Mexicans think of French Canadians not so much as "French Canadians" but as "Latin-Canadians." Canada to them is a country to the north which is predominantly "Latin."

Mexicans are sending their children to French-Canadian schools and convents. I was told more than 100 have been educated in Canada within the past two or three years. Some have also gone to schools in Ontario.

* * *

That a sound tourist business among Mexicans could be developed by Canada was the opinion of everyone to whom I spoke. One man told me he had spent $4,000 every summer for four years in Canada where two daughters are at school. Several friends have visited Canada just on his suggestion. He believed many Mexicans could be "sold" on the idea of travel in Canada. The churches and shrines and Latin atmosphere of the Province of Quebec could be stressed in advertising. He also thought Canadian schools could attract many more Mexican children. "That's double-barrelled business. You get the children—and then the parents, who first take them up to Canada, and later visit them from time to time," he said.

* * *

The Canadian banks had the banking business pretty well sewn up in Mexico for a number of years. They pulled out voluntarily when certain banking laws were enacted by the Mexican Government. Mexicans and Canadians down here, however, think they made a big mistake. The National City Bank stayed and has done well. It took over the large premises of the Bank of Montreal, and naturally it has been able to facilitate the activities of U. S. business and industrial firms in Mexico.

The Confederation Life has remained in Mexico. It has been down here now for many years. Charles F. Day, manager, told me they have never had any trouble with loans and that collections are excellent. The firm has always enjoyed happy business relations in Mexico.

Mexican Light & Power, Mexican Tramways and Monterey Railway, Light & Power Co. are Canadian enterprises which have operated in Mexico for many years.

* * *

Canada's WIB's first Spanish release reached Mexico while I was there. Newspaper and magazine editors have had little Canadian news in the past. Some picture stories on Canada and what Canada is doing industrially in the war could be placed with the picture magazines. There are some 50 newspapers and magazines in the city of Mexico alone.

Some radio broadcasts and films on Canada have been well received. "But we see next to nothing in the papers and magazines," I was told frequently. "Mexicans want to know more about Canada. I'm afraid we don't know very much about your country."

* * *

One of the Latin-American editions of Time Magazine, published in English, is now being printed in Mexico. From there it is flown to certain other Latin-American countries.

The moving picture industry of Mexico is turning out some excellent pictures in Spanish. I saw "Dona Barbara." It was beautifully acted and skilfully filmed. I enjoyed it more than any production I have seen within recent months. The industry is supplying practically all Latin-American countries, and has outstripped Argentina.

Mexican interests, with a 25% RKO interest, are building a large new studio, with several stages. This is another example of the value of mixed capital, and how Mexico may be used as a manufacturing and distributing centre for all Latin America.

* * *

Shortly after the attack on Pearl Harbor, representatives of the 21 republics of America assembled at Rio de Janerio. There Ezequiel Padilla, Mexico's Minister of Foreign Relations, urged the delegates to vote for severance of diplomatic relations with the Axis. He was called the "Man of America."

I met Mr. Padilla in Mexico and learned something of the power of his personality, of his thinking and of his great passion for the brotherhood of the nations of this hemisphere.

"Canada is not listed among the pan-American group, but we do think of her always as being with us in spirit," Mr. Padilla told me.

"Mexicans like Canadians. They like the way Canadians do business and their high moral code. It has long been my hope that trade between our two countries would increase. And I hope that it will not be long before we see a Canadian Minister in Mexico."

I asked Mr. Padilla what he thought of the idea of Canadian manufacturers going to Mexico and joining hands with the Mexicans, not only to develop the domestic market there but an export business to Central and South America as well. "We are always glad to see capital from other countries put to work in industry in Mexico. Canadians and Mexicans could work well together."

Edmonton Asks Charter Change

City Fathers Approach Eastern Financiers About Refunding Debt

From Our Own Correspondent

EDMONTON.—Possibility Edmonton may obtain at least a partial refunding of its debt to the extent of $1.7 millions was seen here in a proposed list of charter amendments city council will seek at next sitting of the provincial legislature.

Mayor Fry, city commissioner John Gibb and city solicitor Thomas Garside, K.C., recently conferred in Toronto and Ottawa with financiers on refunding the city's debt, which amounts to $22.4 millions. On his return the mayor said they had met with moderate success but that any refunding scheme would have to be done piecemeal, "a little at a time."

Among a proposed list of charter amendments is one which would ask the legislature to "validate certain by-laws in connection with the borrowing of $1.7 millions for the purpose of buying in certain outstanding debentures and issue other debentures at lower interest rates." Apparently this is the first "piecemeal" step. The mayor refused to discuss any details of the refunding, saying negotiations still were under way and details published might damage them.

The city commissioner said, "The average interest rate on present outstanding debentures is 4.9%. It is expected the average interest rate on refunding debentures will be substantially less."

"In order to carry out the proposed arrangement it is necessary to obtain certain charter amendments. The general powers of the charter with regard to borrowings provide only two methods of repayment of debentures—equal annual payments of principal and interest during the period debentures run, and payment at the end of the interest period.

The Week in Business

	Dec.	Nov.	Oct.	Sept.	Year Ago
Financial Post Production Index	....	264.0	262.5	258.4	228.3
National Income, D.B.S. (c)	....	§752	737	§747	633
▪Dom. war expend. (million $)....	543.5	271.0	345.5	247.2	217.4
▪Dom. total revenue (do.)....	209.3	215.1	248.9	215.9	175.0
▪Dom. total expend. (do.)....	704.6	501.0	440.1	389.8	357.5
Dept. store sales index no.	....	169.3	157.3	156.8	168.5
▪Retail sales index xno.	....	165.4	157.6	158.5	161.6
Wholesale sales index no.	....	169.9	175.2	184.8	152.9
Country store (% change pr. yr.)	....	+11.0	+5.3	+5.7	+15.0
Divd. payment index♦	125.9	124.6	123.9	124.0	122.7
Bank deposits (1935-30=100)	....	176.3	175.3	170.7	154.7
Cash and cheque pay. index	....	238.5	187.0	180.2	197.8
Bank debits (1935-30=100)	....	195.4	155.0	171.6	135.7
Money supply (c)	....	4,933	4,890	4,760	4,280
NEWSPAPER % OF CAPACITY—					
Production ratio	....	69.2	70.1	70.7	70.6
Shipment ratio	....	70.4	70.7	68.7	71.7
RAILWAY FREIGHT LOADINGS—					
▪Tons (D.B.S. index)	196.1	164.5	135.4	147.7	175.9
▪Cars (D.B.S. index)	153.2	138.8	121.6	122.9	145.2
COST OF LIVING—					
D.B.S. index	119.3	119.4	119.3	119.4	118.8
EMPLOYMENT INDEX No. D.B.S.—					
▪All industries	....	188.7	187.6	186.2	183.3
▪Manufacturing	....	230.8	231.3	229.9	218.6
▪Payrolls (June 1/41=100) (b) ...	....	152.0	150.7	148.7	140.6
▪Payrolls (1937=100) (a)	....	215	221	217	216

RAILWAYS—	1943-44	1942-43	1943-44 Jan. 1 to date	1942-43 Jan. 1 to date	Change %
▪Carloadings (week Jan. 8)	$ 61,489	56,717	....	....	.....
▪C.P.R. gross (week Jan. 14)	$ 5,170,000	4,727,000	9,972,000	8,656,000	+15.2
C.N.R. gross rev. .. (Nov.)	$ 37,001,000	31,886,000	401,535,000	338,715,000	+18.5
C.N.R. net rev. .... (Nov.)	$ 7,226,000	6,602,000	88,583,000	78,266,000	+13.1
C.P.R. gross rev. .. (Nov.)	$ 27,461,492	22,414,905	269,824,963	232,340,753	+16.1
C.P.R. net rev. .. (Nov.)	$ 5,590,640	5,269,455	44,193,918	42,993,378	+2.7
IRON AND STEEL—(November)					
Pig Iron production (tons)	142,249	170,598	1,621,009	1,810,633	—10.4
Steel production ... (tons)	259,444	270,812	2,769,156	2,851,527	—2.8
CONSTRUCTION—					
Contracts awarded. (Dec.)	$ 11,989,300	9,608,900	206,103,900	281,594,100	—26.8
Building permits . (Nov.)	$ 6,348,196	7,956,629	73,606,388	97,610,848	—24.7
Cement prod., bbls. (Oct.)	813,000	1,146,000	6,578,665	8,177,092	—19.5
AGRICULTURE—					
Flour prod., bbls. .. (Nov.)	2,175,831	1,973,401	22,301,263	18,697,561	+19.2
Cattle sales▴ .... (Dec.)	91,115	109,830	1,184,802	1,173,714	+0.9
Hog sales▴ .... (Dec.)	1,041,504	722,284	7,147,546	6,228,163	+14.7
SEA FISHERIES—‡					
Catch, cwts. ...... (July)	1,659,279	1,387,400	5,344,855	5,804,685	—7.9
Landed value .... (July)	6,570,634	5,097,200	21,387,627	15,550,040	+37.6
NEWSPRINT—					
Production, tons ... (Nov.)	256,336	251,147	2,733,104	2,932,911	—6.7
Exports, tons ..... (Nov.)	243,969	238,268	2,592,084	2,779,371	—6.7
MINING AND OILS—					
Coal prod., tons ..... (Oct.)	1,547,234	1,574,871	14,731,904	15,478,943	—4.8
Gold rec. (fine oz.) (Nov.)	263,668	317,013	3,338,205	4,245,028	—21.3
Petroleum prod., brl. (Oct.)	836,080	860,060	8,358,049	8,677,610	—3.6
ELECTRICAL POWER OUTPUT—(October)—					
Total monthly 1,000 kw.h.'s	3,460,737	3,188,797	36,818,140	33,946,747	+8.4
FOREIGN TRADE—♦					
Imports .... (Nov.)	160,310,824	126,204,238	1,600,204,816	1,506,672,539	+6.2
Exports ... . (Nov.)	293,412,194	208,962,433	2,693,388,525	2,114,226,765	+27.3
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. ... (Nov.)	2,925,870	2,884,992	31,577,536	30,549,537	+3.3
Cotton consump. lb. (Nov.)	14,253,640	16,388,439	166,569,224	186,140,990	—10.5
▪Cigarette cons. No.† (Dec.)	1,018,559	961,860	11,526,543	10,239,979	+12.5
FINANCE—					
Bank debits† ...... (Nov.)	$ 5,913,477	4,966,558	48,946,288	41,331,641	+18.4
Bond sales† .... (Dec.)	$ 171,766	92,552	6,686,094	4,290,673	+55.8
Life insurance sales (Nov.)	$ 54,087,000	52,042,000	535,009,000	489,246,000	+9.3

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. †000 omitted.
▴Total at yards and plants. ▪New items for week. §Estimated.
♦Supplied by Nesbitt, Thomson & Co. (c) 000,000's omitted. ♦Gold excluded.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Gauge Liquor Share-out At 100 Million Gallons

Provinces, Other Licensees to Get Some 92 Million Gals. Beer; 3.7 of Wine and 3.5 of Hard Liquor; Army Gets Special Beer Quota

By STAFF WRITER

OTTAWA.—One thing reasonably certain about the nation's liquor, beer and wine supply in 1944 is the amount which will flow into distributive channels in coming months. It will be less than the amount consumed in the fiscal year ending Mar. 31, 1943, but more than the average 1935-39 consumption.

Just what this supply will mean per thirsty person in Canada in 1944 is not so clear. Ontario, for instance, has had to slash its hard liquor ration five times in the past year—not so much because of increasing shortage of supply but because of the mounting number of thirsty mouths laying claim to available stocks.

A study of official figures for the 12-month period ending Oct. 31, 1944, of the amount of liquor, beer and wine for distribution puts the actual over-all figure at 95.4 million gallons. Added to this is special beer allowances of one gallon per man per month for every member of the armed services stationed in Canada. A well-educated guess, on the basis of available figures of armed service personnel, would place the latter total somewhere between 3.5 and 4 million gallons.

Distribution Break-Down

This means that in the current 12-month "season" almost 100 million gallons will be allowed by government edict to be delivered to provincial liquor boards and other licensees. This total is distributed as follows:

Beer—92 million gals.;
Wine—3.7 million gals.;
Hard liquor—3.5 million gals.

These are the precise quotas allowed under the Mackenzie King temperance edict of last year (plus the special beer allowance added subsequently for armed forces).

Experience during the first full year of operation indicates these quotas will be lived up to almost 100%.

Previous consumption may be judged very roughly by the accompanying table. Over-all, it may be seen that 100 million gals. of beverage for 1943-44, compares with 107 million gals. theoretically consumed in the fiscal year ending March, 31, 1943; with a four-year wartime average consumption of 91.6 million gals. and a pre-war average (the five years 1935-39 inclusive) of 66.6 million gals.

Comparative figures follow:

	Beer Imp. gals. (000)	Wine Imp. gals. (000)	Liquor Proof gals. (000)	Totals gals. (000)
Present level of supply*	‡88,200	3,700	3,500	♦99,000
Last avail. est. of consumption†	97,610	4,600	4,900	107,000
Aver. est. consumption in 5 pre-war years† ..	60,000	3,700	2,860	66,600
Aver. est. consumption, 1940-43† ..	83,000	4,400	4,200	91,600

*Based on present quotas which restrict deliveries of beer, wine and spirits to a fixed percentage of amount consumed in year ended Oct. 31, 1942.

‡Exclusive of an allowance of 1 gallon per month per soldier or member of the armed forces in Canada.

†Estimates made by Dominion Bureau of Statistics and compiled on a fiscal year basis (i.e. years ending Mar. 31). Five pre-war years 1935-39. These figures are only approximate since they make no allowance for adjustments of inventory by provincial liquor boards and licensees.

♦Includes estimate of 3.6 million gallons of beer for armed services.

In the above table none of the figures make allowance for the vagaries of provincial liquor boards and other licensees as to inventory changes. So far as estimates of consumption noted above are concerned, they are simply a cumulative estimate of gallonage made available to liquor boards and other outlets with allowances for imports and exports. The first line of the table (present level of supply) represents the amount destined to flow into the nation's liquor and beverage supply lines based on the amount allowed by government quota.

Obviously there has been a sharp piling up of inventory by provincial boards during 1942 and earlier, in anticipation of future restriction in supply. To the extent that sales outlets have in the past and may in the future unload these stocks, the thirst of Canadians is eased to that degree.

One other important consideration for 1944 is the extent to which scarcity or abundance of labor, materials, plant, etc. may ease or tighten existing quotas.

Two Major Aspects

Here there are two important considerations, one favorable, the other not too promising.

As far as alcohol capacity available for transfer from war to beverage use is concerned, the prospect looks bright. Canadian distilleries have finished a brief "holiday" during which a trickle of alcohol was diverted from industrial to beverage production. It is quite likely that further capacity will be available from time to time in 1944 and to an increasing degree.

This means distillers will be able to increase their stocks, not that they will be allowed to increase their present quota of deliveries.

At the moment temperance interests who seek to curb consumption of spirituous liquors, parallel those of the distillers. As long as no new liquor is being manufactured, the manufacturers will attempt to curb consumption and thus conserve stocks for the future. No one will hazard a guess around Ottawa as to what those reserves are. But a figure of from 6 to 7 years' supply seems not unreasonable even though it may be quickly challenged as too high by the manufacturers themselves.

Don't Expect Bigger Deliveries

It is unlikely distillers will start manufacturing spirits once more with a view to greater deliveries. In the U. S. where there is no government "quota," the distilleries have themselves restricted deliveries to about the same figure as in Canada, namely 70%.

Similarly with wine, the present quota, introduced by the Government ostensibly for temperance reasons, corresponds very closely to what the wineries are restricted in use of sugar.

It is argued the government quota is the yardstick for deliveries and every effort is being made to consider this objective as a firm bid for which available supplies of glass, packaging, etc. must be found. Any increase above the present official quota might be difficult to look after.

So much for supply factors.

What every purchaser in Canada well knows is that demand has caused a new dilution and scarcity in supply beyond anything dreamed of a few years ago. Witness Ontario.

By reason of swollen purchasing power, liquor stocks in Ontario were by way of dwindling overnight. Thus an original "quota" of a bottle per day per person in Oct., 1942, was cut first to 160 oz. per month in Jan., 1943, then to 133 oz., in February. By May the quota dropped to 80 oz. in June to 53 oz. and finally in Jan., 1944 to 26 oz. News reports already forecast a 13-oz ration during 1944.

What should be clear is that this is not due so much to shrinking supply as to the greatly increased number and frequency of purchases by the average citizen.

This is the unknown factor in the 1944 liquor equation—an unknown not likely to become less formidable as long as war employment and purchasing is maintained.

R. M. Robinson Heads Wheeler Reflector Co.

Ronald Mills Robinson has recently been appointed general manager of Wheeler Reflector Co. of Canada, Ltd. An expert in application and design of lighting equipment, Mr. Robinson joins the firm from the Lighting Division of Canadian General Electric Co. Born in England in 1911, he graduated with honors from the electrical engineering course, University of Toronto, in 1935 from where he entered the Canadian General Electric. There he specialized in commercial and industrial lighting, in street, highway, airport illumination, searchlights and floodlights.

R. M. ROBINSON

Mr. Robinson is an associate member of the Toronto section of the Illuminating Engineering Society of which he was secretary from 1938-40, a member of the Association of Professional Engineers, and is on the executive of the Committee of Affiliated Engineering and Allied Societies in Ontario.

S. Canada Power Net Reflects Rate Rebate

From Our Own Correspondent

MONTREAL. — Rebate of one month's bill for electricity consumed by domestic customers, is ordered by the Quebec Public Service Board for all Quebec power companies, is reflected in Southern Canada Power Co.'s earning statement for December. In gross income there was a reduction of $51,130, but this was offset by a drop of $51,192 in the company's tax bill.

For the quarter ended December gross at $787,360 was lower by $21,100 compared with the like period a year ago, while a net deficit of $9,779 after all charges, including dividends, replaced a net surplus of $6,115 a year ago.

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KNOWLEDGE will come through study and by trial and error. Experience will be gained, in most instances, the hard way. No price will be too high, however, nor any effort too great if both our capital and labour will open doors of new outlets for products bearing the "Made in Canada" stamp.

IN this thinking of the future—in this concentration on global maps—in this roseate view of tomorrow's greatly contracted world—there is a tendency, yes, even a danger, of skimming over the needs of our own eleven or twelve million people, *eleven or twelve million now—potentially—who knows*. This ready-made market is right here. It knows, or has known, your product. You know its likes and dislikes. It's a market of friends not strangers.

THE exigencies of war may have strained your friendly relations with your dealers and your public. Through no fault of your own, there may exist dissatisfaction with your service, or your quality. Production standards or sales policies may be the thorn in somebody's side. Consumers may have switched to other brands because you were unable to maintain a constant flow of merchandise. Now—right now—is the time to make your peace with your old customers. This is the month to start getting back in their good books. Today—put aside that global map you keep in your office, and in it's place hang a map of Canada—a whale of a market with as high a standard of living as you'll find anywhere in the world.

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Addresses Made at the Annual Meeting of Shareholders of

The Royal Bank of Canada

Morris W. Wilson, President, says any degree of political freedom impossible under wholly planned economy. Challenges socialists to show how public would benefit by state monopoly of banking. "Business will have only itself to blame if, through inaction, it vacates fields of activity into which it later finds that public opinion has forced the Government to enter."

SEES NO NEED FOR DEFEATIST ATTITUDE IN APPROACHING POST-WAR PERIOD

Sydney G. Dobson, Vice-President and General Manager, reports bank business at unprecedented levels. Assets reach new peak of over $1,500,000,000.

FOREIGN BRANCHES WELL EQUIPPED TO SERVE IN POST-WAR TRADE

The Seventy-fifth Annual General Meeting of the Shareholders was held at the Head Office in Montreal on Thursday, January 13th, at 11 a.m., Mr. Morris W. Wilson in the Chair.

Mr. Wilson, the President, in moving the adoption of the Director report said:

PRESIDENT'S ADDRESS

Before continuing with the ordinary business of the meeting, I wish to refer with deep regret to the loss our Board sustained last March in the death of our colleague, Mr. Stephen Haas. Elected a Director in 1925, he served the bank faithfully and well, and we sincerely mourn his passing.

The vacancy created by his death was filled by the appointment of Lt.-Col. W. E. Phillips, D.S.O., M.C., a leading industrialist of Oshawa.

I also wish to refer to the retirement of Mr. G. H. Duggan as a Vice-President and Director of the bank, which took place at his request at the end of the fiscal year. His decision to retire was based on his advancing age, and his desire to make way for a younger man. Mr. Duggan served as a Director since 1916, and as Vice-President since 1934. His broad business experience and sound judgment, coupled with a keen interest in the welfare of the bank, made him an invaluable counsellor and associate. We shall miss him, and we wish him many years of happiness in his retirement.

At a later stage to-day you will be invited to add Mr. W. Taylor-Bailey, Vice-President and General Manager of Dominion Bridge Company, to our Board.

I am sure you will have received with satisfaction the Annual Report and Balance Sheet of the bank which the General Manager has just submitted. It indicates that the past year has been one of marked progress. I could almost wish that the liquid position of the bank were not so strong, but, in common with banks the world over, we are finding it difficult to keep an adequate proportion of our funds employed in loans. The result is continued expansion in investments—principally, of course, low-yielding Government bonds—with an unfavourable effect upon our earnings. At the same time, the outstanding strength of the bank enables us to face the future with confidence, in the knowledge that we are well equipped to give constructive aid to our clients in the post-war period, and to deal with any special problems that may arise.

This is the fifth occasion on which we have held our Annual Meeting under the cloud of war, but this year we see the silver lining. The aggressors have been halted on all fronts, and for many months, thanks to the valorous efforts of the fighting men of the United Nations, we have held the initiative. In this armed effort Canadians have played a brave part. While those in authority continually caution us against undue optimism, and remind us that grim and bloody days lie ahead, one cannot escape the conviction that at long last the handicap of unpreparedness has been overcome by the United Nations, and that victory is now assured.

DANGER OF SOCIALISM

While it is wise to be on our guard against undue optimism, and not relax for one moment the vigor of our war effort, it is only natural that the thoughts of Canadians should turn more and more to the post-war period, and to what it may have in store for us. When that time comes, we shall be able to look back with pride upon our notable industrial contribution to the winning of the mightiest war of all time, a contribution, shared in by workmen and enterprisers alike, which has surprised our allies, our enemies, and even ourselves. Despite this fact, we are being told by all the publicity methods revolutionary partisans can devise, that in order to win the peace we must change our entire economic system and launch out into new and untried paths, under new and inexperienced leaders. The theorists and visionaries who preach these doctrines of an economic revolution may be thoroughly honest and sincere. I have no doubt that most of them are. But the fact remains that the principles they advocate can only lead, as a final and inevitable result, to a completely regimented economy, and on this point I cannot do better than quote the Editor of the London Economist, a well-known writer of liberal views:

". . . A wholly planned economy "is incompatible with any degree "of political freedom. The possibility of a man's earning his living "in his own way, without let or "hindrance, is the essential condition of there being any freedom of "discussion, any freedom to oppose. "If more than a fraction of the electorate come to depend for their "livelihood upon the temporary "masters of the mechanism of the "State—that is, upon the politicians "—then democracy is at an end."

I make no apology for speaking again this year on a subject I introduced last year, because I am more convinced than ever that the menace of socialistic teaching is one which closely affects everyone in Canada in both his business and private life. It is well that every Canadian should understand clearly the implications of the policies being advocated by these revolutionary doctrinaires. I use this word advisedly, because it is noteworthy that those who would abolish private enterprise, and the right of a man to choose his own means of earning a living for himself and his family, are not in the main men experienced in administrative or practical affairs.

ASTOUNDING SCHEME

During the past year these advocates of a new order have been coming more and more into the open with details of their revolutionary theory. They have an astounding scheme, which will result in nothing less than complete regimentation of Canada. As you know, one of their principal objectives, and the first plank in their platform, is to nationalize the banks. It is common knowledge that Canadian banks have held themselves strictly apart from party politics. Even individual members of the staffs of banks have not entered politics, but have contented themselves with casting their ballots as good citizens. It follows that, when I say what I intend to say, some will declare the banks are speaking out on this particular question because of self-interest.

That would be less than just. Naturally, we are interested in preserving our business, in which so many shareholders have invested, and to which so many depositors have entrusted their savings. That is a reasonable desire, and we shall maintain our right, and the rights of those who trust us, with every constitutional means at our disposal. But the present situation goes much deeper than mere business interest. Every one of us—director, shareholder, officer and customer of the bank—is involved personally. Even more as citizens than as businessmen, we deplore the rise of this creed, because we firmly believe that implementation of the socialist plan would ruin this generation and set Canada back centuries.

SOCIALIST MENACE

Would Dominate Every Phase of Economic Life

Speaking of the plans of revolutionary doctrinaires for Canada's future, Mr. Wilson said: "It is as a citizen as well as a banker that I put before you some further considerations to which I hope you will give your earnest thought.

"The course of the socialist party in Canada has been charted for us in several books which make clear that nothing short of complete socialization of the means of production and finance will satisfy the party. That means domination of every phase of economic life, including agriculture, labour and capital. Therefore, because we all fall into one or other of the classes, it means domination of every individual.

"What would the socialists achieve by nationalization of the banks? Their book on social planning says that they will form one board of directors for the national bank monopoly instead of the ten boards which now operate the competitive chartered banks.

"Socialistic literature suggests that access to the books of the bank and a consequent rupture of the confidential relationship that now exists between bank and depositor, would be of inestimable value in determining taxation policies. But would this appeal to the depositor?

"Furthermore, as we are organized today, a prospective borrower may go from one bank to another if he fails to convince the first banker of his probity, ability and prospects; under the socialistic system, unless the prospective borrower could convince the state bank of the soundness of the project for which he sought to borrow money, and also that the transaction to be financed was in harmony with socialist party objectives, he would be turned down and would have no other bank to look to for a loan. Do you think that such a system would assure the borrower of as fair treatment as he now receives?

"I believe the answer to these two questions, affecting depositors and borrowers, is a positive 'No.' On the contrary, history and experience lead us to expect that such a government monopoly of banking would lead to favouritism of party adherents. At the same time, we should witness a spread of that sterility of ideas and enterprise which tends to accompany every human activity that finds itself in a position of unchallengeable power."

PRIVATE BANKING BEST.

The insistence of Canadian socialists upon their determination to seize the banks is curious, in view of what is happening elsewhere. In other parts of the world, even those most socialistically inclined, private operation of banks continues unmolested. The one exception is Russia, and in that country seizure of bank properties and deposits was carried out as part of an armed revolution. Even in countries like New Zealand, which is so often held up as an ideal by our socialist friends, the privately owned banks continue to operate. The same is true of countries in Europe where advanced ideas have prevailed for years, such as Norway and Sweden.

There must be some good reason. I suggest that it is not simply due to chance that banking the world over has continued in private hands, but because the people and the governments have considered it advisable from every point of view—economic, political and social—that banking should be free of political and partisan influences.

I mentioned Russia as the exception, the one country in the world which has nationalized banking. I yield to no one in my admiration of Russia's prodigious efforts in this war. But while we are filled with admiration for the splendid wartime achievements of the Russian army, and the generalship which has brought about victories that have astounded the world, I do not believe we are compelled thereby to give our approval to any particular part of Russia's economic system.

BANKS ALREADY CONTROLLED

Parliament has already set up effective control of Canada's credit and monetary policies through its wholly-owned and ably-managed agency, the Bank of Canada. In my judgment, further intervention by government in the business of banking would be entirely superfluous, and would not be welcomed by the great majority of those who have dealings with the banks.

Let us turn for a moment from the specific case of banking, and look at the broader concepts of the socialistic creed. The socialists would make it appear that they, and they alone, have developed a strong social consciousness, and that unless full control of our affairs is placed in their hands, our people have little to look forward to in the way of improved living standards. The record does not support that view. Living standards have been rising steadily for a century or more, and tremendous strides have been made without turning over the reins of power to the socialists or other extremists. There is every reason to believe that a constantly developing public opinion will continue to express itself in a steady advancement of human welfare. However, let this be done in the democratic way we understand and trust, and which has brought us so great progress since our people first embraced the ideals of democracy generations ago.

BUSINESS MUST SPEAK UP

You may thoroughly agree with all I say, but ask what is the answer to the socialist campaign. In my address to you last year I asked that business should become vocal; to a large extent that wish has been fulfilled. Business people are naturally modest about everything except their product, but venerable John Milton's classic reference to the battle between truth and falsehood has a lesson for us. He declared that though all the winds of doctrine were let loose upon the earth, so truth were in the field falsehood could not prevail. But note that truth must be in the field; silence is no weapon. Those who realize the dangers implicit in the mistaken doctrine of the Canadian socialists have the responsibility of putting truth into the field against it.

Turning for a moment to a consideration of business conditions in Canada, I think it can fairly be said that we are on the verge of an adjustment. For several years all industrial changes have been in one direction — the direction of war. Now there is evidence that war needs are becoming more selective, that supplies have in some instances caught up with demand, if they have not actually surpassed it. This means curtailment of war production in certain directions, to be accompanied, we must expect, by a gradual conversion to peace-time activities.

This development emphasizes the necessity for business to examine closely its position, and to formulate as definitely as may be possible its plans for the reconstruction period. Conceding that much depends upon governmental fiscal and tariff policies, there is still a great deal that comes within the scope and capability of business.

POST-WAR OBJECTIVES

First of all, what are the general objectives to be sought after the war? It seems to me we must think of several: (1) seeking the best means of turning our abundant natural resources into use for benefit of the country; (2) planning to eliminate mass unemployment and remove the fear caused by feelings of insecurity; (3) bringing together the interests of business, agriculture and labour; and (4) preserving our front against inflation, while protecting ourselves from stagnation and depression.

Surely all these are objectives in which businessmen have great interest and to the attaining of which they bring great ability. Business has a splendid record. It has tackled and mastered fantastic problems. It has accomplished near-miracles through the efforts and ingenuity of management and labor working together under a capitalistic system. Every thinking man knows that goods are in the main invented and produced by private research and enterprise, and most of us believe that business can continue into the post-war era with new discoveries, new ideas and new methods.

Business will have only itself to blame if through inaction it vacates or fails to occupy fields of activity into which it later finds that public opinion has forced government to enter.

I do not see any reason why the post-war period should be approached in any defeatist attitude. As I said earlier today, surely the quality and magnitude of our contribution to the war effort should encourage us to feel that we shall be able to cope with the problems of the post-war period in a worthy manner. Our war effort called for energy, initiative and selflessness, and are not these the very qualities that will assure success in peace-time? In co-operation with our allies, we made a tremendous united effort against our foes; cannot that same spirit of co-operation be used in peace? Admittedly we shall be conditioned in what we do, not only by policies of our own government, but by the policies of those with which we are presently associated in the war effort. Canada, as is well recognized, is largely dependent upon her export market for the maintenance of a balanced economy, which means that we are vitally interested in the prosperity and well-being of the various countries with which we deal. This will inevitably mean that we shall have to face, and perhaps face with unusual courage, the problem of assisting in the rehabilitation of many countries devastated, physically or economically, by the war.

EXCHANGE STABILIZATION

Among the post-war schemes of great interest in financial circles is the proposal for an exchange stabilization fund to operate on a world-wide basis. The success or failure of this scheme clearly rests in large degree with our great neighbours to the south. They have fallen heir to the position of leading financial power, and no scheme has any chance of success without their unqualified endorsement and support.

If a world-wide stabilization plan cannot be worked out or agreed upon, then at least the more important and larger countries should join in some less ambitious arrangement for the stabilization of their currencies. It will not do to form groups, one around the dollar, another around sterling, and a third around the rouble. Along this way lies isolation, bickering and recrimination. It would seem better to have no plan at all than one which divides the world anew into spheres of influence. In Canada's peculiar position, sentiment and experience might make it difficult for her to join a United States' dollar group. Our geographical position would make it equally difficult to join a sterling group. If forced to stand alone we need feel no sense of inferiority as to our ability to manage our own financial affairs, but I believe we would and should be prepared to take full responsibility in proportion to our means in any world financial arrangements.

I shall not discuss the details of the Keynes plan submitted by Great Britain, the White plan submitted by the United States, or the plan prepared by Canadian monetary experts in an attempt to pursue Canada's traditional policy of reconciling United States and British opinion. In any case, none of these plans has been fully worked out. I should like to say, however, that no exchange stabilization scheme has any chance of success in the decade succeeding the war unless it includes a plan whereby the more fortunate nations, which have not been devastated by war, would make substantial contributions to the relief, rehabilitation and reconstruction of Europe and Asia.

REHABILITATION

I personally believe that large outright gifts of food, raw materials, finished goods and machinery to backward and devastated countries will in the long run, and even from the most selfish point of view, not only contribute most to human welfare, but both in the short and long run be in the best interests of those nations which can afford to make the gifts.

If this is too much to expect of human beings in their present stage of development, the alternative must be loans on a very large scale on long and easy terms, or probably a combination of both loans and gifts. I think such loans would have to be to governments, because the management of an international fund presumably under the control of the great powers could hardly expect to decide on the merits of individual applicants, and, even if they did, would doubtless in due course be accused of attempting to influence internal business policies or trends. Such a bank or fund has recently been suggested for discussion by Mr. White of the United States Treasury. In whatever form this plan emerges, if it promises to meet the world needs, two nations — the United States and Canada—will be looked to as leaders. Continental Europe is in ruins and ashes. Britain, bearing the brunt of total war, has been forced to dispose of a large part of her foreign resources, and has acquired liabilities to an extent which makes it difficult for her to make proportionate contributions. The devastation of Russia, unparalleled in history, will require a maximum effort over a period of many years to restore lost progress. China will need to be reorganized from the ground up. Canada and the United States, with the richest part of the earth's surface, with physical resources not only untouched by war, but invigorated and improved by the war effort, can, if they have the vision, supply the need. "Where there is no vision, the people perish," and I am afraid that, without vision, the world's hope of an early return to happiness and tranquillity would be disappointed.

The road ahead will not be an easy road. For many, 1944 will be a sad and lonely road. But it is up to us to make it the road to complete Victory, which includes not only a military triumph over our enemies, but also a just and lasting peace.

That this war will end is a certainty. That the United Nations will be victorious is also a certainty. When this victory will come is not known to man. However the problems to be solved after victory are known to all of us, and affect all of us. They will, I confidently believe, be solved by the wholehearted co-operative efforts of all of us.

GENERAL MANAGER'S ADDRESS

Mr. Sydney G. Dobson, Vice-President and General Manager, referred to the financial statement as follows:

The Annual Report and Balance Sheet presented to-day indicate that your bank has again enjoyed a year of considerable expansion, the figures under many headings having reached record totals.

The volume of business passing through the bank's books has been unprecedented. However, the increase in our figures and the greatly increased turnover have not resulted in substantially increased net earnings, due to heavier taxes and lower yields in investments, principally Government securities.

Total assets are now $1,509,097,571, an all-time high, and an increase during the year of $217,481,625.

Our liquid position is stronger than it has ever been. Cash on Hand and Balances Due by Banks aggregate $269,690,024 and Dominion and Provincial Securities are held to the value of $641,898,620. Adding to these Other Securities, Cheques on Banks, and Call Loans, we have Total Liquid Assets of $1,104,703,439, representing 78.09% of our Total Liabilities to the Public. Our holdings of Dominion Government securities increased $132,553,675, and now total $560,333,751.

During the year under review, to assist in war financing, the banks purchased direct from the Dominion Government $200,000,000 two year, 1½% bonds and a net amount of $275,000,000, six months Deposit Certificate carrying a rate of ¾ of 1%, this being the sum required to fill the gap between the amount required for war expenditures and other fiscal requirements, and the total collected in taxes and bonds sold to the public. The portion allotted to this bank of these two types of securities was $115,370,000, and this represents the major portion of our increased holdings of Dominion Government securities during the year.

While our holdings of Government securities increased $132,553,675, mainly in the lower yield bracket, it may not be out of place for me to point out that during the period there was a substantial increase in our interest-bearing deposits. As for the most part we pay 1½% on these deposits, it will be seen that a considerable portion of our increased income from our enlarged holdings of Government securities was paid out to depositors in interest.

VICTORY LOANS.

There appears to be a misconception in the minds of some people that the banks purchase a substantial portion of the Government public issues and increase their earnings in this manner. This is not the case. During 1943 two Victory Loans were issued, realizing $2,692,000,000. The 4th Victory Loan floated in May last was purchased by 2,669,000 subscribers and the 5th Victory Loan in October, by over 3,000,000. In neither loan did the banks buy bonds for their own account. While there is naturally some change in the holdings of the original subscribers, relatively only an unimportant amount found its way into the banks.

In common with the other banks, we have done everything possible to make these Victory Loans a success. Managers have encouraged customers to subscribe or to increase their subscriptions. All depositors considered capable of subscribing for an amount of $50 or more have been written to and advertisements have been inserted in the press urging depositors to subscribe to the full extent of their ability.

Commercial loans in Canada expanded during the year $22,772,835 and are now $277,921,237. Included in this amount are temporary loans of $72,556,000 to assist purchasers of Victory Bonds. Making allowance for the amount of such advances current a year ago, it will be seen that there is practically no change in ordinary commercial borrowings. Commercial loans outside of Canada declined $4,051,212 to $55,225,770.

On the liability side of the Balance Sheet, Total Deposits reached the record total of $1,399,891,198, an increase during the year of $218,674,006. Of our deposits $1,103,965,865 are in Canada and $295,925,332 at foreign branches.

After providing $2,281,952 for Dominion Government taxes, $267,785 more than a year ago, Profits were $3,426,289, an increase of $36,166. Dividends Paid amounted to $2,100,000; we contributed $370,000 to the Pension Fund Society, and $400,000 was written off Bank Premises Account, leaving $556,289 to be carried forward and added to Profit and Loss Account.

EARNINGS MODEST

Over a year ago it became evident that we could not hope to maintain out of current earnings the dividend rate of 8% then being paid. It was therefore reduced to 6%. The volume of business during 1943 increased to an extent unexpected at the time the dividend was reduced, and earnings were consequently higher than had been anticipated at that time, though still not sufficient to cover the former rate.

I think that any fair-minded person will agree that the $2,100,000 paid to shareholders last year was a very modest amount to be paid to the proprietors of the bank, when we consider the size of the organization and the tremendous amount of business it is necessary to handle in order to earn that amount. Any other type of business working with assets of one and a half billion dollars would have been able to earn for shareholders a considerably larger return. If we consider this yield in relation to our two main earning assets, loans and investments, we find that the dividend paid to our shareholders was less than 1/5th of one cent on the dollar on the total of these two items, a very trifling handling charge, to say the least. I have never heard the claim made that Canadian banks are not efficiently run, therefore the answer must be that the profit in banking is small.

The usual appropriations, totalling $800,000, were made against real estate holdings, $400,000 being applied to reduce Bank Premises and $400,000 to reduce the indebtedness of our property holding companies. Government regulations permit only minor expenditures on buildings, consequently the aggregate spent during the year was small, with the result that our Bank Premises Account shows a reduction of $878,146 through the appropriation already referred to and the sale of properties not now required for banking purposes.

S. A. BRANCHES ACTIVE

In the printed report of the proceedings of this meeting being mailed to shareholders will be found a review of conditions in Canada and other countries in which we have branches. I am pleased to say that our foreign branches again have enjoyed a satisfactory year. The progress made by those in South America is particularly gratifying. Deposits at our foreign branches have increased considerably, though like Canadian branches, they are experiencing difficulty in employing funds profitably.

The inability to obtain usual supplies from regular sources, coupled with a heavy demand for their own products from the United Nations, has provided a strong incentive for the expansion of industries in the South American Republics, and many of them are now in a better position economically and otherwise than at any time in their history.

We have been pioneers in the establishment of branches abroad and we have built up a large and valuable connection over a period of years. Our first branch outside of Canada was established in Newfoundland in 1895. This was followed by our entry into Cuba in 1899. For over a generation we have been established in Puerto Rico, the Dominican Republic, the British West Indies, and the Bahamas and from time to time we have opened branches at other points in the Caribbean area. We opened our first branch in South America in 1914 and today we are represented in Colombia, Venezuela, British Guiana, Brazil, Uruguay, Argentina, and Peru. We, of course, are established also in New York and London.

Our foreign branches are especially well equipped to answer enquiries and render assistance to exporters and importers. We visualize them as being of inestimable value to Canada in the post-war world.

It takes more than a building and equipment to make a bank; in fact, the things we work with are infinitely less important than the personnel who use them. The Royal Bank is exceedingly happy in the character, capabilities and loyalty of the members of its staff, now increased to 7,954. The increase in our Canadian staff of 1,047 was necessitated not only by the enlistment of so many experienced officers, but by the ever increasing volume of wartime work. To all the ordinary peacetime banking, and a volume of pay cheques which has multiplied several times over, there has been added the handling of Victory Loan subscriptions and coupons, Foreign Exchange Permits, Ration Coupon Banking, and milk subsidies.

WARTIME SERVICES

Ration coupon banking was established in March last and has operated very smoothly, as the banks are well equipped to handle this type of work. You will form some idea of the volume of this business when I tell you that at present ration coupons are being deposited with our branches and destroyed at the rate of more than four hundred million per annum, and that entries in ration coupon accounts on the books of the bank are being made at the rate of close to one and a half million per annum.

The number of new deposit accounts opened during the year was the largest in the history of the bank, and we now serve more than 1,300,000 Savings and Current Account customers.

The fact that we have been able to maintain our service to the public at such a high level is due to the devotion and enthusiasm of our branch Managers and senior officers, and to the fine type of young women who have replaced men entering the services. These young women now comprise 69% of our total staff. They have been quick to learn the banking technique taught them by the few remaining experienced officers, and have earned the compliments of the public for their friendly service, as well as of the bank for their capability.

Nevertheless, we know that with all our efforts we are not able to give our customers the efficient and prompt service we should like to give, and I wish to express to them our appreciation of their co-operation.

We are justified in looking back upon the past year as an eminently satisfactory one in many ways. Your bank has continued to expand upon sound lines and is planning with faith in the future. More important still, the great war in which we are engaged has developed favourably on all fronts. We have every reason to be proud that Canada has taken so important a part in contributing men, material and genius. Though the struggle may yet be a long and sanguinary one, we can now look forward with every confidence to a victorious, and let us hope a not too distant, conclusion.

2,123 OF STAFF IN UNIFORM

Bank Supplements Service Pay and Preserves Staff Benefits for All Enlisted Men

"The voluntary response of our staff to our country's call has been magnificent," said Mr. Dobson, "and there are now 2,123 men in the armed forces. Of this number 2,009 were employed in Canada, which is equivalent to 69% of our Canadian staff of military age at the outbreak of war.

"To these men the bank pays a portion of the difference between their bank salary and service pay. They retain their membership in the Pension Fund Society, and the bank pays their group insurance premiums. We shall welcome them when the time comes for them to return to their duties in the bank.

"Unhappily the number of casualties has doubled since I last reported to you; 67 of our young men have now given their lives in the cause. Their names, which we hold in honour, appear in the printed record of this meeting, and we extend our heartfelt sympathy to their families."

HIGHLIGHTS

Mr. Wilson said:

While it is wise to be on our guard against undue optimism, and not relax for one moment the vigor of our war effort, it is only natural that the thoughts of Canadians should turn more and more to the post-war period, and to what it may have in store for us. When that time comes, we shall be able to look back with pride upon our notable industrial contribution to the winning of the mightiest war of all time, a contribution, shared in by workmen and enterprisers alike, which has surprised our allies, our enemies, and even ourselves. Despite this fact, we are being told by all the publicity methods revolutionary partisans can devise, that in order to win the peace we must change our entire economic system and launch out into new and untried paths, under new and inexperienced leaders. The theorists and visionaries who preach these doctrines of an economic revolution may be thoroughly honest and sincere. I have no doubt that most of them are. But the fact remains that the principles they advocate can only lead, as a final and inevitable result, to a completely regimented economy.

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I suggest that it is not simply due to chance that banking the world over has continued in private hands, but because the people and the governments have considered it advisable from every point of view—economic, political and social—that banking should be free of political and partisan influences.

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Parliament has already set up effective control of Canada's credit and monetary policies through its wholly-owned and ably-managed agency, the Bank of Canada. In my judgment, further intervention by government in the business of banking would be entirely superfluous, and would not be welcomed by the great majority of those who have dealings with the banks.

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B. C. Opinion Is Divided Jap Issue

Some Want Them Dispelled Entirely, Others Merely Dispersed

From Our Own Correspondent

VANCOUVER. — A Royal Commission headed by Dr. W. F. Jackson, Winnipeg, has been visiting the various re-location centres occupied by Japanese evacuated from the coast of British Columbia, investigating their complaints and preparing a report for the Department of Labor at Ottawa.

Appointment of the commission, said to be no reflection on the work of the B. C. Security Commission, was criticized in some Coast quarters on the ground that the Japanese were obviously well treated, especially in comparison with Japan's handling of interned Canadians. The Government felt, however, the investigation would eliminate all doubt as to Canada's willingness to give the Japanese in this country a fair deal.

Although conditions are generally satisfactory in some camps, spokesmen for the Japanese said in some instances food and fuel supplies were inadequate. Other grievances concerned conditions of work.

The Security Commission hopes more Japanese will move east in the coming months. In fact B. C. feels if the Japs are scattered through the province instead of congregated, as before the war, in a single section of the coast, the economic and social problem created by their presence will be greatly lessened.

Complications Later

Most of the provinces accepting the Japanese, however, did so on condition they return to B. C. after the war. This may lead to complications later. Meanwhile the issue is being kept alive in B. C. by such organizations as the farmers' institutes which last week urged the Government to expel the Japanese from Canada and permanently exclude them from the country.

Politically, such a remedy would have wide support, but realistic thinkers are doubtful if Canada would adopt such a drastic policy. Whatever is finally done will probably depend a good deal on what the U. S. does with its 140,000 Japanese and on the terms of the peace treaties.

There are now about 16,000 Japanese in B. C., compared with more than 23,000 at the time of Pearl Harbor. The remainder, mostly adult males, have gone to the prairies or eastern Canada where they have found employment.

B. C. Towns Ask Finance Check

Municipalities Want Cost of Education Lifted From Their Treasuries

From Our Own Correspondent

VANCOUVER.—British Columbia municipalities will probably have to wait until after the war for material revision in their financial relationship with the provincial government.

Premier John Hart has intimated he favors several changes in the present setup, but does not wish to proceed with them on a piecemeal basis.

The Union of B. C. Municipalities has been urging immediate removal of cost of education from municipal treasuries which are supported chiefly by land taxes. Alternatively, it has asked the Government to name a committee to confer with the union on methods of overhauling all public financing and responsibilities.

Revenue of the municipalities has declined 7% in the past 20 years, although provincial revenues have doubled. The cities claim the government has proceeded to enlarge social services and that they have been called upon to bear a share of their increased cost, for instance, the 40% of costs of a nursing home for tubercular patients who cannot be accommodated in existing institutions.

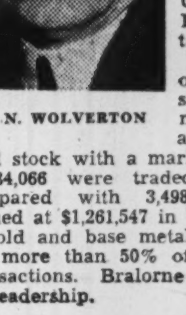
During the coming session of the legislature it is expected some modifications will be announced to relieve the municipalities of some of their wartime costs.

Re-elect A. N. Wolverton Head Vancouver 'Change

From Our Own Correspondent

VANCOUVER.—A. N. Wolverton has been re-elected president of the Vancouver Stock Exchange.

K. L. Patton is vice-president; D. F. MacKenzie, honorary secretary, and, Morley Holland, honorary treasurer.



A. N. WOLVERTON

Committee members are A. E. Chilcott, A. E. Jukes, M. D. McCarthy, J. C. Ross and P. A. Wootten.

A total of 7,374,616 shares of mining, oil and industrial stock with a market value of $2,384,066 were traded last year compared with 3,498,475 shares valued at $1,261,547 in 1942.

Gold and base metals accounted for more than 50% of last year's transactions. Bralorne maintained its leadership.

HARRY G. STANTON
H. WILLIAM HATCH
*D'ALTON McCARTHY
S. C. HETHERINGTON

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THE FINANCIAL POST

You may now get an Index to the major articles published in these columns during 1943.

This Index, published at the beginning of the year, has been reprinted. As long as copies are available, we will be glad to send them to interested subscribers, on request to the editor.

THE FINANCIAL POST
481 University Ave., TORONTO

We Have Been Asked . . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INCOME TAX

Wife's Income

My wife has a personal income of her own of about $300 a year, unearned and derived mostly from industrial company dividends from which national defense tax and normal tax have been deducted at source. Is she entitled to a refund of the national defense and normal taxes so deducted and for how many years back?

If the investments from which your wife's income is derived represent her own capital and not money given her by you, she is not liable for income tax because her total personal income is under $660 a year. She should make an income tax return for each year that taxes have been deducted showing her total income, the taxes deducted and the refund claimed.

Depreciation Rates

I am the owner of several apartment houses. I understand I am allowed a higher rate of depreciation on electrical equipment and such things as jacket heater, etc., than the ordinary rate of depreciation on the buildings. Is this correct?

A higher rate of depreciation is allowed on certain things such as electrical appliances and certain furniture and fixtures. We suggest you write the inspector of income tax in your district telling him the various articles on which you think you are entitled to a higher rate of depreciation. He will then be able to give you official ruling.

Holds Bond Coupons

I hold $3,000 of Victory bonds. Is there any legal objection to me holding the coupons for two or three years before cashing them? On what year would I pay income tax on them?

There appears to be no legal objection to you holding the coupons for two or three years before cashing. Bond interest paid on bearer bond coupons is taxable in the year in which it is actually paid, it is understood.

INVESTMENTS

Beattie Gold

Will you outline for me the significant developments in the Beattie Gold Mines situation? What has the company paid in dividends over a period of years?

Two developments have been outstanding in the Beattie Gold Mines picture this last year, one favorable and one unfavorable.

The favorable factor was indication by diamond drilling of a new ore body at least 2,300 ft. in length grading around $10 per ton across widths of from 7 to 12 ft. The unfavorable factor was the tremendous slide of clay from the open pit into the company's workings. This slide caused production to be suspended and rehabilitation cost has been estimated at $1 million which was approximately $350,000 more than net working capital at the end of 1942.

Production has now been resumed, however, and limited mining of the new higher grade ore from the ore shoot mentioned above can now be undertaken. Since recovery averaged only $3.79 a ton in 1942, it can be seen how important the opening up of any substantial tonnage of $10 grade ore may prove from the profit standpoint.

No dividends have been paid since June 30, 1943, when 4c a share was paid. Previous to 1943, dividends totalling 87c a share has been paid including 18c a share in 1940, 16c a share in 1941, and 13c a share in 1942. The company in the past has realized its profits on treatment of relatively low grade ore. In no year has average recovery been higher than $5.26 a ton.

Aside from ore in the new vein which is being developed from a new shaft, ore reserves are equivalent to approximately seven year's milling supply.

N. Vancouver Bonds

Could you tell me what the situation is with respect to defaulted bonds of North Vancouver District?

We are informed that the North Vancouver District bonds will probably come up for consideration early this year, when the financial position of the municipality will be investigated in detail. Such an investigation has not been carried out to date, and no specific statement as to the municipality's ability to pay is possible.

When the refunding is carried out it is likely that the agreement arrived at will be along the same lines as the one made for the bonds of the city of North Vancouver. In this case the old bonds were exchanged for a new issue of the same face value with a sliding scale of interest rates starting at about 2½%. Arrears of interest were cancelled. Since it is the policy of Dominion Mortgage & Investment, who act on behalf of the bondholders, to adjust first the affairs of those municipalities who are in the best financial position, it cannot be expected, though it is possible, that the terms on the district bonds will be more favorable than those obtained for the city. A tentative guess might put the beginning rate at 2%, with five or ten-year increases to perhaps 4 or 5%.

In one section of North Vancouver district there is possibility of development of a high-class residential district, and the municipality's nearness to Vancouver's new shipbuilding industry may also be a factor of importance. It is impossible, however, to assess the future of this industry at present.

Canadian Kirkland

I hold a block of shares in Canadian Kirkland Mines. Can you tell me if these shares are worth anything at the present time?

Canadian Kirkland was succeeded by Amalgamated Kirkland Mines on the basis of one Amalgamated Kirkland share for each 10 Canadian Kirkland shares held. Amalgamated Kirkland shares are quoted at 14c. a share bid, 15c. a share asked. Exploration of the Amalgamated Kirkland property has been undertaken from the Macassa workings but this work had to be abandoned over a year ago due to war regulations. It appears likely to be resumed after the war. So far, nothing in the nature of a definite ore body appears to have been encountered.

WPTB QUESTIONS

Professional Fee

My doctor always charged me $1 for an office call. Recently he charged me $4. Can he raise his prices like this?

Professional fees are not subject to the regulations of the Board.

Refunds

My boy received two pairs of skis for Christmas. I returned one pair within 12 days of the date of sale and the storekeeper told me he would be breaking WPTB regulations if he refunded my money. Is this correct?

No, this is not correct. By order of the Board no money can be refunded after a period of 12 business days has elapsed from the date of sale. Your dealer does not have to either take the merchandise back or refund your money. But if he wishes to do so within the 12-day limit he is not violating the regulations.

Laundry Ceiling

Can a Chinese laundryman legally refuse to return my tablecloth? I mislaid my laundry slip and when I finally found it and took it in the laundryman informed me he had changed his method of marking and the old slip was no use to him. As this is a good cloth I would like to get it back.

This would seem to be a matter for the police. Notify your nearest police station and they will advise you what action to take. While this has no bearing on your problem you will be interested to know that the Board controls prices in all these laundries. Maximum prices have been set based on prices charged during the basic period Sept. 15 to Oct. 11, 1941.

Christmas Price

My husband gave me a mouton coat (processed lamb) at Christmas for which he paid $185. Since then I have been looking at these coats in various shops and find the highest price asked is $149. Is there a ceiling on fur coats?

There is no ceiling on fur coats. The consumer is protected by a Board order which makes it necessary for furriers to show on a tag attached to each garment the correct name of the fur as well as the trade name. The styling of fur garments is also controlled. Many stores reduce the price of fur coats after Christmas which might be the reason for the difference in price you mention.

DIRECTOR

Whitham Taylor-Bailey, of Montreal, who has been elected a director of the Royal Bank of Canada. Mr. Taylor-Bailey is vice-president and general manager Dominion Bridge Co., Lachine, Que.; vice-president Eastern Canada Steel and Iron Works, Quebec; Robb Engineering Works, Ltd., Amherst, N.S., and Fairchild Aircraft Ltd., Montreal and a director of a number of other Canadian companies.

New Wartime Regulations

Post Summary of Latest Ottawa Rulings

Motor Vehicles: M&S Order No. M.V.C. 18A-1 dated Nov. 27, 1943, amends Order M.V.C. 18A by the substitution of a new Schedule "C". Deputy Motor Vehicle Controller E. R. Birchard.

* * *

Brake Shoes: M&S Order No. S.C. 27A, dated Dec. 7, 1943, amends Schedule "A" to Order No. S.C. 27 with respect to brake shoes. Deputy Steel Controller A. C. Anderson.

* * *

Sal Ammoniac Skimmings: M&S Order No. C.C. 16A dated Dec. 7, 1943, rescinds Order No. C.C. 16. Chemicals Controller E. T. Sterne.

* * *

Rationing of Small Arms Ammunition: WPTB No. 350, effective Dec. 31, 1943, replacing order No. 251, sets forth regulations covering the purchase of small arms ammunition by authorized purchasers designated in the order, by retail and wholesale suppliers, and by manufacturers of small arms ammunition. Deputy Chairman, M. W. Mackenzie.

* * *

Maximum Prices of Vancouver Forest District Lumber: WPTB No. A-1038, effective Dec. 31, 1943, fixes maximum manufacturers' and wholesalers' prices for fir, hemlock, white pine, red cedar and sitka spruce originating in the Vancouver Forest District of British Columbia, and provides for calculation of freight rates upon the lumber concerned. Order No. A-93 is revoked hereby. Timber Admin. A. H. Williamson.

* * *

Prices of N. S. Bituminous Coal: WPTB No. A-1054, effective Jan. 1, 1944, provides for addition of 95c. per net ton or such other amount as may be authorized following investigation, to the ceiling prices of grades of coal produced by Acadia Coal Co., Cumberland Railway & Coal Co., Dominion Coal Co., and Old Sydney Collieries Ltd., to cover additional costs arising out of increased wages and paid holidays awarded to employees by NWLB. Increases charged to distributor may be passed on to buyer and contracts made for delivery after Jan. 1, 1944 are deemed amended. Coke manufacturers affected by the increase may apply for an increase in the price of coke. Coal Admin. E. J. Brunning.

* * *

Manufacture of Book, Writing and Specialty Papers: WPTB No. A-1000, effective Jan. 1, 1944, replacing No. A-854, restricts the manufacture of kinds of fine and specialty papers according to "Standard" and "Special Making Order" specifications for each kind, contained in the schedule attached to the order. It does not prohibit disposal of paper manufactured before Jan. 1, 1944 not conforming to its provisions, and it does not apply to paper manufactured for export in sheets or rolls without further processing. Administrator of Book and Writing Papers, A. P. Jewett.

* * *

Rationing of Canned Salmon: WPTB No. 352, effective Jan. 3, 1944, declares canned salmon to be a rationed commodity, prohibits its sale until Jan. 17, 1944, and provides for the surrender of meat coupons by consumer purchasers thereafter. One meat coupon is to be equivalent to ¼ lb. of canned salmon. Deputy Chairman, M. W. Mackenzie.

* * *

Use of Leather Outsoles Cut From Bends: WPTB No. A-1053, effective Jan. 10, 1944, provides that a manufacturer who between Mar. 1, 1941 and May 31, 1941 sold footwear made with leather outsoles cut only from shoulders may acquire outsoles cut from bends only on proof of inability to obtain enough outsoles cut from shoulders. A formula is supplied for increases in ceiling prices to apply to footwear with outsoles cut from bends which is stamped with certain information by the manufacturer of footwear. Admin. of Footwear, Louis Daoust.

* * *

Maximum Prices for Canned Atlantic Mussels: WPTB No. A-1052, effective Jan. 10, 1944, amends Order No. A-1014 by the inclusion of mussels. Maximum price per case of 48 No. 1 cans (5 oz. talls), to be $8.20. Administrator of Fish and Fish Products, A. N. McLean.

* * *

Kinds and Widths of Wire Insect Cloth: WPTB No. A-1049, effective Jan. 10, 1944, replacing No. A-736, permits the manufacture of 14 mesh galvanized steel wire insect cloth as an alternative to gray enamelled steel, the manufacturer's choice, once made, not to be changed without written consent of the administrator. The order allows a new width of 22 in. for sale only to a sash and door manufacturer for use in manufacture of screens, screen doors and combination doors. Administrator of Fabricated Steel and Non-Ferrous Metals, H. H. Foreman.

* * *

Price of Fertilizers in British Columbia: WPTB No. A-1055, effective Jan. 12, 1944, sets maximum prices per ton for fertilizers f.o.b. Vancouver and New Westminster, not for resale. Provision is made for an increased price for special packaging. Maximum prices for quantities of less than 1 ton are required to bear same relationship to the maximum price per ton that the seller's highest price for such a quantity had to his highest price per ton of the same fertilizer in the spring of 1941. Admin. of Fertilizers and Pesticides G. S. Peart.

* * *

Rubber: M&S Order No. Rubber 5A amends Order No. Rubber 5 in certain particulars affecting scrap rubber. Deputy Rubber Controller J. A. Martin.

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New Director of The Bank of Toronto

Mr. John R. Read, President of the Canadian Westinghouse Company Limited, who has been elected a Director of The Bank of Toronto.

Mr. Read was born at Wytheville, Virginia. He commenced his business career as a junior in the office of the Aluminum Company of America and, after a wide experience as an electrical engineer with a number of important concerns in the United States, came to Canada as District Office Manager for the Canadian Westinghouse Company Limited at Vancouver and as General Manager of the Bridge River Power Company Limited.

In the year 1937 he was transferred to Hamilton, Ont., as Vice-President of the Canadian Westinghouse Company Limited and was promoted to the Presidency in 1939.

Mr. Read is also President of Hamilton Munitions Limited and Atlas Plant Extension Limited, and, in addition, is a Director of B. Greening Wire Company Limited, and Canadian Radio Patents Limited.

In Your Opinion

Moving Closer to Latin America

The Question: How could we foster closer business and cultural relations with Latin America?

Sister Mary Thomas Aquinas

Mother Superior, Joan of Arc Institute, Ottawa.

I consider the following important in fostering closer business and cultural relations with Latin America:

Promote individual goodwill and better knowledge by exchanging professors and students.

Teach Spanish and Portuguese in Canadian schools as well as French and English in Latin America.

Art and handicraft exhibitions, exchange books and illustrated magazines, organize tours and scholarships.

To overcome distance difficulties, build more direct shipping and aerial lines with improved and cheaper passenger and mail service. Commercial and industrial exhibitions would prove the immense resources of countries where modern civilization is far advanced and whose governments aim continually at producing. Commercial treaties and reciprocity benefits should stimulate relations and increase profits.

• • •

Prof. M. A. Buchanan

Head of Department of Spanish and Italian, University of Toronto.

The University of Toronto provides courses in Spanish and Portuguese for undergraduates, and evening classes for adults. It has a well-equipped library of books on Latin American history, literature and economics. During February the University will inaugurate a series of lectures, open to the public, on Latin America. In normal times more could be done to foster cultural relations by providing for the exchange of students and teachers. Spanish should be taught in all secondary schools as it is in Great Britain and United States. The creation of a Latin American institute at one of our universities is also desirable.

• • •

Charles Clay

Director National Publicity, League of Nations Society in Canada.

Basically, to foster closer business and cultural relations with Latin America, Canada must have more intelligent information about those countries. Our diplomatic contacts should be expanded, with more ministers and consuls. It would be in the national interest for the Government to spend money sending specially selected Canadian journalists on expense-paid tours; universities should be governmentally assisted in the exchange of students; professional and business organizations should be aided in sending representatives to Latin America for the purpose of gathering commercial information. All this activity, which should be undertaken at once, should be designed to culminate in TCA lines direct from Canada to Latin-American capitals, and in the transfer of our war-made cargo boats to government-owned freighter lines to Latin-American ports as soon as the war ends. But organization of these two enterprises should be started now.

• • •

Professor Juan Cano

Associate Professor of Spanish and Italian, University of Toronto.

Goodwill is an essential prerequisite to foster closer business and cultural relations between Canada and Latin America. We must study sympathetically their languages, literatures, customs, social institutions and history, placing emphasis on similarities, rather than on differences. Our civilizations and theirs is essentially the same. Exchange of students between Canadian and Latin American universities and the creation of greater facilities for travelling in both directions would undoubtedly bring in a very short time closer business and cultural relations between Canadians and Latin Americans to the mutual benefit of them all.

• • •

J. N. Cochrane

Consul for Panama, Saint John, N.B.

Foster business by favorable tariff arrangements. Develop their markets for our primary products, fishing, agriculture and forestry, especially dried, pickled, salted and also canned fish, seed potatoes, feed grains, while we, in turn, establish markets for their citrus and deciduous fruits, bananas, coffee, nuts and other primary products of their country. Establish direct steamship service to ensure satisfactory deliveries both ways. Also moderate the price of passenger service with mutual development of suitable tourist facilities there and here with extensive advertising campaigns to acquaint the public with such facilities. I assume proper stabilization of currencies would be a postwar objective to assure steady business.

• • •

George Cockshutt

Cockshutt Plow Co., Brantford, Ontario.

To foster closer business relations with Latin America, ambassadors and government officials should be chosen for their ability to fill the post and not on political grounds. More inspection and goodwill tours should be undertaken by our government officials. We should strengthen our representation in Latin America now, not at the conclusion of the war. Canadian exporters should get together in association to discuss South American export problems with a view to assisting the Government in forming an aggressive trade policy. Trade restrictions should be removed as soon as possible. We could begin now to remove restrictions on coffee as the States have done. Culturally, more publicity should be given Canada, by showing Canadian travelogues and films, such as "Canada at War," etc. There should be an exchange of news between Canada and Latin American countries. The Portuguese and Spanish languages should both be taught in our schools.

• • •

Sir H. H. Couzens

Vice-president and director, Brazilian Traction Light & Power Co., Toronto.

(1) It is of major importance to promote knowledge of the languages spoken in South America, remembering that in Brazil—nearly one half of the area—Portuguese is the language of the country.

Though thousands of young Brazilians are today studying and mastering the English language, in addition to which educated Brazilians almost without exception speak French, yet a knowledge of Portuguese, even though limited, is an enormous asset to all foreigners who desire to know or to do business in that country.

(2) Visits by representative Canadians in various walks of life to meet and become acquainted with the people and study the conditions of business or whatever line of endeavor in which they are occupied or interested.

The above two fundamentals I believe form a solid foundation on which to build. Developed and elaborated by individuals and associations, they can go a very long way in promoting closer relations and business connections.

Two typical existing efforts of which I happen to know already working along these lines may be mentioned, namely, that of Jean Désy, Canadian Ambassador to Brazil, and also the relatively recently formed Canadian Inter-American Association.

• • •

Capt. R. G. Cavell

Vice-president and general manager, Automatic Electric (Canada) Ltd., Toronto.

I feel we can best foster closer business and cultural relations with Latin America by remembering always that we are an American nation, that Canada is a geographic part of the great American continent, and that it therefore behooves us to take every possible interest in the safety and economic wellbeing of the whole continent of which we are part.

Thinking along these lines would lead us naturally into closer relations with Latin America in all directions. We should join the Pan-American Union and develop our great geographical heritage. I can never see why membership in the British Commonwealth should inhibit the development of real friendship and ties with our brother Americans of this continent.

• • •

H. F. Davila

Consul for Peru, Ottawa.

We must impart new trends to inter-American commercial policy in the postwar period, smoothing out the many and varied restrictions which now hamper trade, such as excessive quotas, exchange control, etc. Interchange of diplomatic missions now being carried out will make this solidarity of the Americas effective with better mutual understanding between our countries. In this way the real meaning will be given to the good neighbor policy in terms of liberty, equality and fraternity, which constitute the genuine co-operation sought for present-day America, whose future is incalculable.

• • •

Col. James W. Flanagan

Prominent South American industrialist, formerly of Toronto, Palm Beach, Fla.

I suggest that a small commission, as far as possible of men personally known in their respective lines of business, representing manufacturers, importers and exporters, capable of discussing imports and exports, should visit Central and South American countries. Special study should be given products of countries visited that Canada could use, bearing in mind that these people are desirous of selling as well as buying. The commission should carefully inspect factories and production plants, complimenting when possible, conferring with officials and operators, carefully

(Continued on page 14)

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* * * *

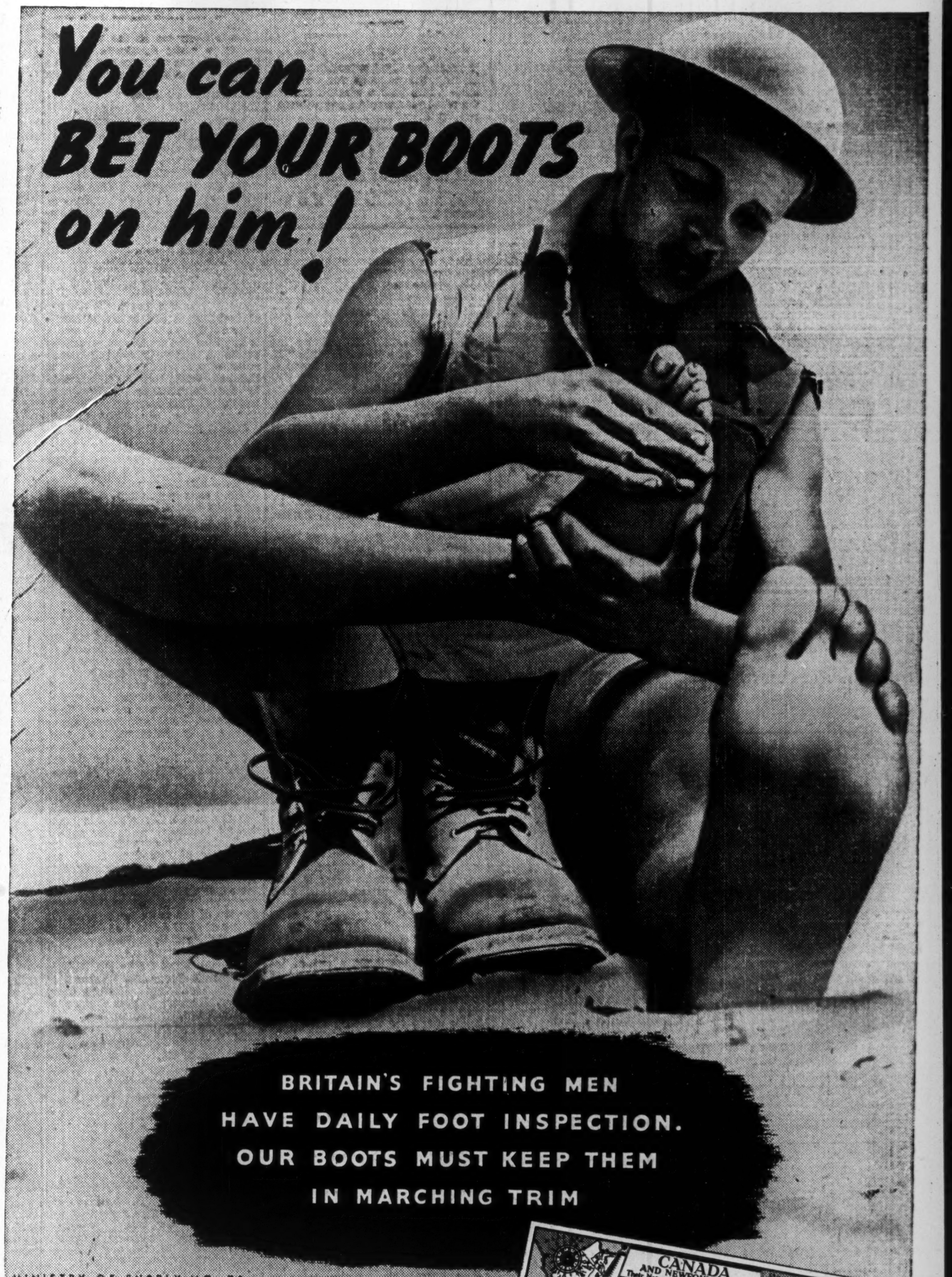
In Canada Unlimited, Private Jones, once again plain Tommy Jones, will have opportunities such as he never imagined existed. A grateful country will see to his proper rehabilitation. If he desires education, he shall be educated. If he wants a farm, he shall have a farm. If he wants to labor with his hands, he shall labor with his hands. If he wants to labor with his brain, he shall labor with his brain. For Canada Unlimited is just that, a land of limitless spaces and unbounded resources . . . to reward initiative.

Of course, the vision of Private Jones is *not* just a dream. It is the *reality* of a Tomorrow that we can create.

We create this tomorrow with the money we lend for Victory, for in these savings of ours are also the seeds of Peace, the fruits of a new world and a new way of doing things.

For Private Jones, for ourselves, and for this Canada of ours, it is of paramount importance that we buy and hold more and more War Savings Stamps and Certificates and more and more Victory Bonds.

For these are the dreams of which stuff is made!



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"CANADA'S RESOURCES AND PRODUCTIVE GENIUS BRIGHT OMEN FOR FUTURE"

"Lower Taxation Incentive to Planning for Full Employment"

says F. H. MARSH, President of THE BANK OF TORONTO

THE PRESIDENT'S ADDRESS

Gentlemen—

The 88th Annual Statement of your Bank which has been commented upon in detail by the General Manager and which shows an exceptionally strong liquid position, and an increase of 20% in total assets will, I feel, meet with your approval.

In my opening remarks at our meeting a year ago, I mentioned that a favorable turn had at last come in the war, after three years of reverses and withdrawals. The restrained optimism which we all felt at that time, has been justified by the progress made on all fronts during the year just ended. As a fighting enemy Italy has been eliminated. Germany has been weakened through losses on the eastern front and by terrific and continuous bombing of her military and industrial centres, while our anti-submarine activity has proven effective. We are still short of conclusive military success, but we have at least reached the stage where a sudden end to the European war comes within the range of possibility.

Post-War Planning

Plans for the post-war adjustment accordingly acquire a definite meaning. We should be prepared for the many problems that may arise upon a sudden termination of the war, and have the groundwork laid for the long process of reconversion which must this time be handled in an effective and enduring way.

Some phases of our post-war problems are with us already. Certain lines of war production are being curtailed in both Canada and the United States, thus releasing limited amounts of manpower and materials for civilian use. After four years during which resources and money have been mobilized on an ever-increasing scale for the prosecution of the war, the change in the trend of our all-embracing effort, when it does come, must be carefully handled. Steps should be taken to ensure that civilian goods start to move as rapidly as war production is reduced. If not, we will have the awkward problem of surplus materials and labour. The attitude of Canadian business men generally throughout the entire war programme to date has been so free from evidence of desire to profiteer, that settlement of cancelled contracts should be handled with equity and with the utmost despatch in order to avoid tying up of liquid resources needed for conversion of plant and employment of workers.

Certain of the wartime controls will of necessity be continued into the reconstruction period. At the same time it is hoped that their scope and objectives will be modified as quickly as possible. It is essential that we avoid the mistake of burdening our economy with regulations which, however important in time of war, cease to have meaning in the time of peace. As our war production terminates, those controls which were designed for its special purposes should cease, and only that degree of public regulation which is consistent with an efficient and aggressive normal economy be retained.

Small Businesses Must Be Preserved

It is generally known that post-war planning of a constructive nature is under way on the part of governments and large scale enterprises, but there is some question as to whether the medium sized and smaller concerns are able to do much in this direction under the present tax structure. Many of them started with little after the last war, and in the relatively prosperous twenties built up adequate working capital, which was seriously depleted by losses in the depression of the early thirties. During the 1936-39 period, profits were comparatively small. The basing of standard profits on the average of these years has resulted, in many instances, in little being left to build up the cash reserves necessary to effect the change from wartime to peacetime conditions, thus making it essential that definite assurance by way of tax adjustments or other remedial measures be provided. I believe that an early announcement of governmental policy in this respect would be most helpful.

Clearly the job of industrial conversion cannot effectively be undertaken by concerns which, though possessed of well-equipped plants, experience and organization, are without the working capital which is essential to forward planning, and to the continuance of operations during any disruption of business following the cessation of war production.

These smaller manufacturers and traders, scattered throughout the length and breath of the country, furnish an important backbone of employment. A recent study of industry made under government direction shows that as of the year 1941, there were 170,903 establishments in the manufacturing, wholesale and retail fields, and that no less than 161,904 or 94 per cent of these were small businesses, employing less than 15 persons each, the total number employed by them being 529,626 persons. They are not only important in the aggregate, but are essential in the life of the towns and villages throughout Canada.

Our National Objectives

In such broad matters as employment, population, trade and finance, Canada must have definite objectives. One of the favorite postulates of the day, in regard to the post-war period, is that there must be employment for everybody. Without attempting a close definition of full employment, we are obliged to consider under what circumstances this desirable objective might be achieved. In a state of complete servitude, for instance, it would be possible, but that is what we are fighting against in the war. To attain it on a foundation of freedom is the only desirable basis, difficult though it may be in the face of tax burdens and trade barriers. If we are to achieve full employment, we must have the courageous and all-out effort of free enterprise, and also do everything possible to affect unhampered and full distribution, both at home and abroad, of what we produce; the actions of governments should conform to that end.

Still a Competitive World

Over this broad issue hangs the still wider question of Canada's position in the future world of trade. Having made a marked advance and attracted the recognition of the rest of the world during the war period, in the supply of munitions of war and of raw materials, can we continue to hold our own as an industrial nation as well as a primary producer? We have confidence that we can, certainly in the industries and in the trading areas for which we are specially suited; being mindful, also, that the extent of our export trade must be largely regulated by the value of our own purchases abroad, and at the same time recognizing the need for the most efficient type of organization if this is to be accomplished. That type of organization must start on the foundation of individual rights of ownership and labour, and carry through to security for both in respect of the fruits of their efforts. In the actual process of production and distribution, though private enterprise should be expected to play the major role, a certain amount of government co-operation and assistance, particularly during the transition period, is likely to be required, but if the entire structure were converted into a cumbersome and uninspired governmental machine, then progress would change to decay. Among the nations which will compete for a place in the world of trade we may be sure that there will be many which will avoid the extreme of state socialism. It is these which will succeed and will attract the greatest numbers and the best type of population.

Our National Resources and Abilities

While I have emphasized the difficulties of reconstruction which face us, at the same time let us not overlook our national assets. During the war we have developed an organized productive power such as we never had before. It comprises a well balanced labour force, a widely distributed and diversified industrial system, and, what is equally important, a proven ability in management and technical skill. This productive power is backed by a tremendous wealth of natural resources widely varied in character, stretching from the Atlantic to the Pacific, from our southern boundaries to Alaska and including the great stretches of little explored country now made accessible by the Alcan Highway. Our large areas of as yet untilled agricultural land and the development and marketing of the products of our varied resources will provide work for great numbers of people. During the immediate post-war period our foodstuffs will be urgently needed to supply the devastated countries, while construction materials and other manufactured products to fill pressing needs will be in strong demand both at home and abroad.

On any comparable basis—and conditions are properly measured by comparison—we feel justified in the belief that no other country is better able than Canada to provide security and a good standard of living for the people within her borders.

War Finance Handled With Skill

No better illustration of Canada's abilities can be found than in our record of war finance. For the purposes of the war of 1914 we borrowed, with the aid of attractive rates and also tax exemptions for a time, about two billion dollars, the average rate of interest on the outstanding national debt being then 5.1 per cent. The present war has been a great deal more costly in the monetary sense, but individuals and corporations have contributed liberally in the way of loans as well as taxes. The national debt, at present about ten billion six hundred millions, is four times greater than in 1920, but the average rate of interest thereon is only 2.60 per cent, and the annual interest cost of $275,000,000 is only twice as much as it was following the last war. Of the national debt 96% is held internally, and for every dollar paid to the Government by way of taxes to meet interest and capital charges 96c will go to the millions of Canadians who hold Government securities.

The Canadian Way of Life

The people of Canada are possessed of the ability to think clearly when aroused to the point of being concerned about any subject. There is, then, little to fear in contemplating our national future, if people stop to consider what a socialistic form of Government would mean. The common sense of most Canadians, including labour, who would not be immune but would also have to conform to such a system and its regimentation, will, I am confident, remain proof against any such plans as would overturn Canada's entire system of individual freedom in growing, producing, manufacturing, marketing, export, import, wholesale and retail trading, banking, investment and ownership.

Totalitarian Government and regimentation is what our sons are fighting against while the advocates of socialism are trying to have that very form of Government placed in control of Canada.

There are many hundreds of thousands of Canadians who own their farms or homes; there are the owners of 5,000,000 bank accounts and some 4,000,000 people who own life insurance policies, all of whom are in reality capitalists.

Such ownership is the result of years of toil and thrift in a free country. It represents the stake that men hope to hand down to their widows and children, whose safe future is their keenest human desire. In the rural parts of Canada especially, I believe, this heritage of home and ownership and freedom and the right to pass it on will be held with determination and tenacity, and will never be surrendered in favor of any socialistic, centralized state control of property and civil rights.

It is reasonable to suppose, in contemplating the future, that these millions of people will not be dormant where their own interests are affected, and when they realize what socialism means in the way of totalitarian power.

GENERAL MANAGER'S ADDRESS

Mr. Chairman and Gentlemen:

It is very gratifying to record another year of sound progress in the affairs of the Bank and I feel assured that you will consider as satisfactory the Annual Statement which has been placed before you covering the Bank's operations for the year ending November 30th, 1943.

Profits

Profits, which include recoveries of amounts previously considered uncollectible, were $1,079,807. after deduction of taxes and making full provision for all known or anticipated contingencies and the usual contribution of $150,000. to Officers' Pension Fund. This is a decrease in profits of $134,922. as compared with last year, largely due to an increase of $129,265. in Federal taxes which reached the large sum of $1,227,894., of which $135,177. is refundable.

After appropriating $250,000. for depreciation of Bank Premises and paying the regular dividends of $600,000., there remained a balance of $229,807. to be added to Profit and Loss Account which now stands at $1,090,338.

Total Assets

Total Assets $260,074,469. passed the previous peak of a year ago with an increase of $44,438,402., the result of the accelerated industrial and wartime activity.

Our liquid position is excellent. Quick Assets, that is to say, cash or assets readily convertible into cash, amounted to $191,664,831. which represents 79.58% of all Liabilities to the Public as compared with 73.55% a year ago. Of this sum $49,770,504. consists of cash, bank balances including deposits with the Bank of Canada and cheques on other banks.

Securities

Investments increased $27,526,079. and now total $139,522,591.

Of this amount 94% consists of Dominion and Provincial Government securities, of which $74,648,725. (including Dominion Deposit Certificates $33,605,000. bearing interest at ¾ of 1% per annum) mature within two years.

Municipal securities $1,442,400. decreased $463,453. through the retirement of maturing issues and little of this type of security is now available for the investment of funds owing to the curtailment of public works.

Other bonds, debentures and stocks $4,080,833. increased by $517,464.

Call Loans

Call Loans $2,371,735. are higher temporarily by $1,053,710. but there is little demand for this type of loan at present.

Current Loans and Discounts

Current Loans $60,344,022. are lower by $2,665,865., this being in line with the general trend owing to lower inventories. As merchandise becomes more readily available, it is hoped that loans will increase, a development which we would welcome. It is our policy to encourage commercial enterprise and render all reasonable financial assistance for the furtherance of trade and commerce.

Our grain loans continue at a high figure and we have a substantial amount advanced to industries engaged in war production and to purchasers of Victory Loan Bonds.

Municipal Loans

These total $2,930,747. and are slightly lower than a year ago.

Bank Premises

After the usual depreciation allowance of $250,000. Bank Premises stand at $2,756,911.

No new buildings were erected during the year but a few of our offices were remodelled to provide necessary space for increased volume.

Notes in Circulation

These now total $1,292,503., a reduction of $950,216. Under the provisions of the Bank Act, our notes in circulation may not exceed 35% of our Capital during the year 1944 and on January 1st, 1945 the limit will be reduced to 25%, or $1,500,000.

Deposits

Total Deposits $235,510,980. increased $45,143,647.

Deposits from the public show an increase of 20% and amount to $186,497,114. Of this total, Non-Interest-Bearing deposits $75,677,642. are up $14,078,962. while Interest-Bearing deposits $110,819,471. increased $17,584,560.

Dominion and Provincial Government deposits $49,013,866. were $13,480,124. higher than a year ago.

Branches

During the year branches at Hastings, Ontario, and Fairlight, Saskatchewan, were closed and, to further conserve manpower, seven branches are now being operated on a part-time basis.

Inspections

The Bank's Inspectors have, during the year, inspected all branches and the shareholders' auditors have made the customary audit of cash, securities and loans at Head Office and the principal branches at Toronto, Montreal, Winnipeg and Vancouver.

Staff

It is with the greatest pleasure that I again express sincere appreciation of the excellent work of our Staff during the year. It would hardly be possible to speak too highly of their loyalty and co-operation.

The senior officers have discharged the heavy additional duties and responsibilities imposed upon them as a result of wartime conditions in an admirable manner while the junior members of the Staff, many of them with quite limited experience, have given a splendid account of themselves.

Our total staff numbers 1507, of whom 72% are women. Enlistments in the Armed Forces total nearly 500. All are merely on leave of absence and we look forward to their return upon the cessation of hostilities. In the meantime, we are keeping in close touch with them through the staff magazine and the Bank of Toronto Women's War Guild. Their standing in the Pension Fund and Group Insurance has been maintained at the Bank's expense and this year a Christmas bonus of $25. was sent to each one of them.

It is with deep regret we record that twenty-one of our gallant young men have given their lives in the service of their country, one is reported missing and two are prisoners of war.

In conclusion may I say that Canadians can well take pride in their war effort—not only has Governmental financing been handled in a sound and able manner but also in production Canada has taken an outstanding place, being now third in point of volume among the exporting nations of the world. This growth and development, though made possible by the war, were nevertheless effected by the initiative and efficiency of hardworking, talented business men and agriculturalists together with the industry and co-operation of workers in general.

The records of The Bank of Toronto are replete with examples of young men who commenced business in a small way with limited capital but who, being possessed of character, ability and enterprise, have with the assistance and support of the Bank built up large businesses and created employment for thousands of workers.

During the next few years postwar problems will demand the exercise of resourcefulness and skill but, with such men of courage and initiative, Canada, I feel, may look forward to the future with confidence.

THE BANK OF TORONTO

Head Office - Toronto

88th Annual Statement

30th November, 1943

PROFIT AND LOSS ACCOUNT

P... s for the year ending 30th November, 1943, after providing $150,000.00 for Staff Pension Fund, $1,227,894.14 for Dominion Taxes (of which $135,177.67 is refundable under the provisions of the Excess Profits Tax Act) and making appropriations to contingent accounts out of which accounts full provision for bad and doubtful debts has been made	$1,079,807.80
Written off Bank Premises	250,000.00
	829,807.80
Dividends	600,000.00
Balance of Profits carried forward	229,807.80
Profit and Loss Balance 30th November, 1942	860,530.55
Profit and Loss Balance 30th November, 1943	1,090,338.35

ANNUAL BALANCE SHEET

LIABILITIES

Notes in Circulation		$ 1,292,503.00
Deposits by and balances due to Dominion Government	$ 46,109,247.57	
Deposits by and balances due to Provincial Governments	2,904,618.52	
Deposits by the public not bearing interest	75,677,642.95	
Deposits by the public bearing interest, including interest accrued to date of statement	110,819,471.87	
		235,510,980.91
Deposits by and balances due to other chartered banks in Canada	168,421.16	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and Foreign Countries	1,889,635.29	
		2,058,056.45
Acceptances and Letters of Credit outstanding		1,971,976.49
		240,833,516.85
Capital paid up	6,000,000.00	
Reserve Fund	12,000,000.00	
Dividends declared and unpaid	150,614.06	
Balance of profits as per Profit and Loss Account	1,090,338.35	
		19,240,952.41
		$260,074,469.26

ASSETS

Subsidiary coin held in Canada	$ 388,072.79	
Notes of Bank of Canada	5,710,742.00	
Deposits with Bank of Canada	28,755,800.71	
Notes of other chartered banks	22,465.00	
Government and bank notes other than Canadian	98,063.45	
Cheques on other banks	11,341,171.29	
Due by banks and banking correspondents elsewhere than in Canada	3,454,189.28	
		$ 49,770,504.52
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	74,648,725.24	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	59,350,632.70	
Canadian Municipal Securities, not exceeding market value	1,442,400.49	
Other Bonds, Debentures and Stocks, not exceeding market value	4,080,833.37	
	139,522,591.80	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	2,371,735.00	
		141,894,326.80
		191,664,831.32
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	60,344,022.54	
Loans to cities, towns, municipalities and school districts	2,930,747.49	
Non-Current Loans, estimated loss provided for	14,467.14	
		63,289,237.17
		254,954,068.49
Liabilities of Customers under acceptances and Letters of Credit, as per contra		1,971,976.49
Mortgages on Real Estate sold by the Bank		6,910.92
Bank Premises, at not more than cost, less amounts written off		2,756,911.10
Deposit with the Minister of Finance for the security of the note circulation		177,330.72
Other assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes amounting to $195,865.71)		207,271.54
		$260,074,469.26

F. H. MARSH, *President.*

B. S. VANSTONE, *General Manager.*

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of liabilities and assets as at the 30th November, 1943, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.
of Clarkson, Gordon, Dilworth & Nash
D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Co.

TORONTO, 20th December, 1943

Company Reports

Canada Permanent

Years Ended Dec. 31:	1943	1942
Earned per share*	$10.02	$9.89
Earned per share†	8.59	8.46
Paid	8.00	8.00
Liab. to public	46,858,162	49,560,176
Secured by:		
Liquid assets■	15,955,735	11,329,141
Mtges. & interest	42,036,194	45,105,279
Other net assets	4,138,681	4,679,160
	62,130,610	62,113,580
Estates, trusts & agency acct.	59,979,270	55,265,989

*Before amount written off office premises

†After amount written off office premises.

■Including $982,000 of the stock of Canada Permanent Trust Co. at par.

(Prev. year's figures bracketed below)

Earnings of Canada Permanent Mortgage Corp. were up to $701,295 ($692,441) in the year ended Dec. 31, 1943. Appropriations of $560,000 for dividends and $100,000 for write-off of office premises were the same as in 1942, leaving a balance carried forward to profit and loss account of $154,699 ($413,404). Deposits increased to $16,970,802 ($16,323,800). The corporation's investment in Dominion Government bonds, at $6,363,047 is nearly double the previous year's figure ($3,471,502), while the investment in provincial bonds was $1,658,729 ($1,478,591). Real estate held dropped from $1,447,984 to $1,182,181. Mortgages decreased slightly to $42,036,195 ($46,105,279), due to substantial repayments by borrowers. The corporation has continued to repay sterling debentures, which now stand at $5,446,602 ($7,217,53?). Canadian debentures increased to $26,440,758 ($26,018,843).

Central Canada Loan

Years Ended Dec. 31:	1943	1942
Earnings per share	$8.25	$8.28
Paid	8.00	8.00

(Prev. year's figures bracketed below).

Central Canada Loan & Savings Co. reports net profit in the year ended Dec. 31, 1943, of $206,292 ($207,019). Dividends of $8 per share were paid, as they have been since April 1, 1933. Central Canada Loan & Savings Co. has for a number of years operated as an investment trust, holding a controlling interest in the Canada Life Assurance Co., together with shares in National Trust Co. Canadian Bank of Commerce, Western Assurance Co., and the Canadian Real Estate Co.

Canada Vinegars

Years Ended Nov. 30	1943	1942
Earn. per sh. common	$0.88	$0.91
Paid	0.50	0.50
Working capital	402,440	298,089

(Prev. year's figures bracketed below).

A capital profit of $17,970 ($0.19 per share) on the purchase of $25,000 capital stock of Western Vinegars Ltd. (now wholly owned) and the sale of the company's Vancouver property, brought the total earnings for the year of Canada Vinegars Ltd. and subsidiaries, to $99,121. Net earnings after deduction of $31,000 for taxes were $81,150 ($83,365). A bonus of 10c per share was paid as in 1941 and 1942, in addition to the regular quarterly dividend of 10c per share. During the year the bank loan of $44,630 outstanding at Nov. 30, 1942 was repaid. Depreciation amounting to $4,775 was claimed and taken to cover demolition of a building carried on the books of Western Vinegars Ltd. Special property reserve was increased to $43,000 by the addition of $18,000 covering the capital profit.

Owing to restrictions on the use of tin containers the company was again unable to produce Allen's Apple Juice for domestic sale, but sales as a whole showed an increase over 1942. The company plans to establish its Vancouver plant in new modern premises without interruption of operations.

National Trust

Years Ended Dec. 31:	1943	1942
Earned per share	$9.61	$9.70
Paid	8.00	8.00
Liab. to public	19,838,008	18,865,343
Secured by:		
Liquid assets	15,511,250	11,088,983
Mortgages	8,025,318	7,776,359
Other net assets	1,717,068	2,263,027
	25,253,636	21,128,369
Estates, trusts & agency acct.	296,364,566	293,839,558

(Prev. year's figures bracketed below).

Net profits of National Trust Co. for the year ended Dec. 31, 1943, were $288,388 ($291,683) after deduction of $187,906 ($161,641) to provide for taxes. Savings deposits were up from $17,270,859 to $18,371,943, while securities increased from $10,319,435 to $12,945,674. Real estate held for sale decreased to $1,076,773 ($1,619,414). The company's ratio of liquidity was higher at 87.5% (76.7%). The annual meeting will be held Jan. 26 at Toronto.

Brantford Roofing

Years Ended Oct. 31:	1943	1942
Earned per sh. pfd.	*	$45.05
Paid	*	5.86
Earned common	$0.86	0.72
Working capital	115,554	62,427

*804 preferred shares outstanding redeemed during the year.

(Prev. year's figures bracketed below).

Operating under a quota system which worked "very satisfactorily," Brantford Roofing Co. and its wholly-owned subsidiaries, Brantford Roofing (Maritimes) Ltd., and Brantford Felt & Paper Co., report an operating profit for the year ending Oct. 31, 1943, of $117,089 ($62,223). After provision of $75,600 for Income and Excess Profit Taxes (equal to $1.74 a share), net profit for the year was $41,489 ($36,223). $4,070 was paid in dividends on the outstanding preference, leaving net for common of $37,419 ($31,511).

The balance of 5% preferred stock outstanding (804 shares), was retired in full during the year. Funds were provided by the sales of $41,000 (5%) first mortgage bonds previously held in the company's treasury, and by the transfer from earned surplus of $41,450. Bonds outstanding at the year end totalled $196,800 ($159,300).

W. C. Brooks, president, stated that larger supplies of asphalt have been released and will enable the company to provide a larger volume of goods for distribution.

What's Ahead For Canada?

Stephen Leacock Sketches for Canadians the Bold Task of Developing Half a Continent. "Up and at It!" He Cries

STEPHEN LEACOCK

Chapter 7

How do we gather together in a great forward movement of progress and welfare all these vast assets — this empty continent, these hundreds of thousands of people out of work as a result of winning the war, these millions over the horizon waiting to join us, this influx of capital goods ready to come from abroad for investment?

The answer is—up and at it! There was a famous Greek orator Demosthenes who was asked the secret of his art and who answered: Action! Action! Action! He said it three times. There was a famous leader of the French Revolution who said that for success they needed Audace! Audace! Audace! And there was also a famous British sailor in a fairy story, given three wishes and answering: Rum! Rum! More Rum!

That's the persistent spirit we need in Canada. For our new development we must act—vigorously, boldly and altogether — more boldly than we ever dreamed of doing before. Sit still, and we fail. If we trust to natural economic forces to work our salvation of themselves, to laissez-faire, to private enterprise in the narrow sense (meaning that and that alone), we fail before we begin. In the long run natural forces would operate. But we have no long run to run.

Left to natural forces, half a million demobilized men and women would be looking for work and with them over a million discharged workers left over from war plants. Nor could private enterprise pick them up. The boom expected in the automobile industry will not come merely because a lot of people have no cars. It will depend on how many people can pay for them.

The Myth of Markets

There is nothing for it but a forward and vigorous government policy to augment and stimulate the movement of private industry. The point is, what direction shall it take? Where do we turn to?

And here we need at the start first to clean the ground of the shale and debris of misconception that encumbers it. Our national view is clouded by certain ideas on national prosperity taken over from the past and warping our present vision. One of them is the notion of foreign markets, of sales to the foreigner, the idea that our industrial progress at home depends on our finding markets abroad.

This idea of "selling things" has run riot in our current thought. It is taken over from private business in which a proportion of all its products are standardized, all alike, and all made at similar costs. Selling goods has become the main factor in getting them from the producer to the consumer, and "salesmanship" the very spearhead of business. Hence "selling" has ousted the older idea of "production," the central thought of Adam Smith and John Stuart Mill. Lectures on the wealth of nations are succeeded by trick lectures on how to fool the public. We carry this idea so far that when we wish to speak of promoting or aiding a good cause we talk of "selling" it. A live clergyman sells religion to his congregation! General Eisenhower sells the United States to England. Yet competitive selling in and of itself, apart from its minor element of information, is as empty as a nut. It cancels out.

Living Off the Foreigner

Especially has the selling idea been distorted all out of its place in its application to foreign trade. Here it joins forces with certain other and older errors (about the advantage of "taking in money") to exalt the export trade and its profits to be the touchstone of prosperity, the measure of industrial advance. All wrong. There was something in it in earlier, more restricted days; to sell something abroad for cash was like the sale of a few eggs by a bush farmer to a tourist, turning the scale of the family budget.

I am not denying the merit and advantage of foreign trade within its sphere. Wilful exclusion of outside trade means national suicide, or at least malnutrition. We must obtain by foreign trade the things that we can neither produce in Canada nor conveniently do without. Such, for instance, are oranges and lemons, tea and coffee, nux vomica and coca-cola, and some others that I can't think of.

But, for all other things, we can get them by foreign trade if convenient and, better still, by home production if possible. Our industrial life will adapt itself accordingly.

Lean Kine and Fat

This has changed. A new force, a new idea, is spreading over the field of national economy. It is that of "consumption" and it is displacing both the older idea of production and the newer idea of selling as the way to wealth. Lean kine eat up the fat. Nor was there ever a leaner, hungrier cow than this consumption which has started to eat all the rest of the herd. Production ran itself uphill to a full stop; it became clear that if industrial society just produces and produces —more and more machines, more and more capital—it must end up in a starving world full of machines with nothing to do, and filled with consumers with nothing to consume.

This great idea dawned slowly. But it is in clear daylight now. It supplies whatever grains of truth lie at the bottom of the chaff of Social Credit, the vagaries of the Townsend pension for spendthrift old men and such refractions of a new light. But its real meaning now is that national industry means national consumption. Give us enough people at home, eating, drinking, and being merry, and the foreigner can stay outside. To hell with him. He's only half a bargain anyway; one side of a walnut, and his side may be rotten. Build the country up regardless of him. If we can't sell our wheat and our fish, we'll eat them; if we can't sell fuel to the foreigners we'll keep warm ourselves; if they won't buy our cars we'll ride in them ourselves. All we need is enough of us, busy enough...

"For our new development we must act—vigorously, boldly and altogether—more boldly than we ever dreamed of doing before. Sit still, and we fail. If we trust to natural economic forces to work out our salvation of themselves, to laissez-faire, to private enterprise in the narrow sense . . . we fail before we begin."

* * *

"Our national view is clouded by certain ideas on national prosperity taken over from the past and warping our present vision. One of them is the notion of foreign markets, of sales to the foreigner, the idea that our industrial progress at home depends on our finding markets abroad."

* * *

"I am not denying the merit and advantage of foreign trade within its sphere. Wilful exclusion of outside trade means national suicide, or at least national malnutrition. We must obtain by foreign trade the things that we can neither produce in Canada nor conveniently do without . . . But for all other things, we can get them by foreign trade if convenient and, better still, by home production if possible.

* * *

"A new force, a new idea, is spreading over the field of national economy. It is that of 'consumption' and it is displacing the older idea of production and the new idea of selling as the way to wealth."

Yodeling For a Living

Throw away with that idea the smaller one that grew out of it, the idea of "tourism," the entertainment of "tourists" as a part of our method of advance. It is queer the grip it has on our community. We no sooner announce the initiation of some magnificent project such as the Alaskan Highway than we add apologetically that tourists will flock to see it. Will they? Darn them! Let them wait till we're done with it.

Tourism is another empty economic nut, the sale of scenery and services—by a nation of guides and waiters—to outside people taking a vacation from the world's real work. Leave that to the Swiss, who by their misfortune have little else to live on than tourism in peace and neutrality in war. Let them yodel-doodel on their mountains and wear rooster's feathers to look like William Tell. The Swiss are a fine people, a brave people, with a great history. But it is not for us to take on as choice the lot that has fallen to them of necessity.

The Man With the Axe

Nor can we develop our country on the old-fashioned one-man method of the pioneer with the axe, making a log house, the homesteader on the prairies in the sod hut, the prospector with a tin pan fighting bears with his bare hands. Such lives wrote into our Canadian history some of its noblest pages, welded into Canadian character some of its finest metal. But it is not for today. Time has moved on.

Turn then to what we can do to develop the country. The idea is to set on foot such a vast range of public enterprises as will draw to it the addition of private enterprise by a sort of suction, and draw in millions of immigrants and billions of capital for the simple reason that all the people we have, and all the capital goods we command will not be enough for the situation.

The scope is unlimited. I will take only one or two typical examples.

We need to replace and rebuild the whole of our public transport, a thing to be done without crookedness, graft or swollen company profits. We need in this as in all else the work of honest men. Without that the more we spend the more we lose. And in this case what the honest men are first to do is to think not what a railway is and what a railway train of the future is to be. They will find it to mean a broad straight track, level as a die, with no gradient but the rise above sea-level as you go inland, no curves, no twists, no level crossings. The trains move at 120 miles an hour and stop only at large centres. Trucks from factory to factory and from door to door run 100 miles as local traffic. For the longer haul trucks are swallowed up on board the great trains. The services are complementary, not competitive. So, too, if one had the detail to set it out, would appear the work of motor buses and private cars.

There is a story told of the early days of European railroad building when the routes selected used to wander round among hills and dales looking for an easy track. The first railroad planned for Russia was intended to connect St. Petersburg with Moscow. The engineers bent over their maps, planning twists and curves. The Czar of Russia took a ruler and pencil and drew a straight line from city to city and said, "Make it there."

The story was told in its day as illustrating the ignorance of an autocrat. It should be retold now as a lesson in railway building. I'd like to show the Czar the railway line from Hamilton to Allandale and have a good laugh with him. Best of all I'd like him to see the main line from Toronto to Montreal just where it leaves Toronto. Ever since 1855, when it was built, the railway within 16 miles climbs up 300 feet to the highland at Scarboro and then feels its way down 300 feet to the level where it started. For nearly 100 years every ton of freight has been needlessly lifted up that hill—and every passenger, no matter if he weighs 200 pounds, up he goes. All for the lack of a little shovelling.

Shovel Up the Cities

So we rebuild the railways. And at the same time we can keep a few more millions busy for 10 years at least reconstructing the cities and rebuilding altogether vast sections of the heart of them. For these sections, the best in situation and access have been made the worst by the course of history, turned to slums, mean crowded quarters, streets too narrow. Yet the ground values are of incalculable utility, of incalculable money value provided—and this condition is everything —that you can control the rebuilding of it all on a total, and not a spot here and a patch there, which is all that private building could do.

Expropriate it all. Shovel it up. Rebuild it with real streets, model factories and model apartment homes. Draw with a giant's pencil. You can house here a quarter of a million people, in quadrangle blocks, the backs of the houses turned to their streets, their faces on an inner courtyard, all grass and trees and fountains, where the children can play. Any one who cannot enthuse on that is dead as a paving stone.

But private enterprise can never do all that, if clutching and grasping for profit. And anyway the profit isn't there unless you control the whole operation, as only the State can do. Nor can state enterprise do it unless it works with clean hands, fighting graft, working under the inspiration of public-mindedness, of the spirit. Everything, you will find, runs back to that.

School Calling

These are what are called "self-liquidating" enterprises of Government, bringing their own physical and monetary return. There is room for millions more to work on "cultural" enterprises, bringing in a return beyond the calculation of dollars. Such, preeminently are schools and, above all, the school of the new future. This is a school with recreation grounds, with reading rooms, a place for all day. There are rooms here for serving school meals, for the school must supplement the home where the home is still so poor that it cannot supply an adequate life.

And for rich and poor alike the school must supplement the home for companionship's sake. The school is the gateway to social progress, to that classless society of which we dream. Older people, adult people, are battered out of the shape they might have had and are not to be remade. But children are still in the making. To the schools are added the task of building up a whole range of cultural surroundings, things possessed in common—libraries, public gardens, amusements, museums, hospitals. Millions can work at them for years. There can be no unemployment till it is all done.

New Settlement

Even at that we have left out entirely what used to seem the main feature of development, the settlement of new country, of the open empty plains, the silent forests and the fertile valleys all unused, and the treasure ground of minerals under the soil. But here, as just said, we have no time for the methods of the past. The individual ruggedness of the pioneer wrote the finest pages of our history but we have turned a new leaf. New settlement must move as an army moves, going forward in a mass on a wide front. Before ever a settler comes, broad highways must be driven through the wilderness, like the Alaskan Highway (war's accident that peacetime would never have discovered), with side roads, drains, culverts; and with power stations, electricity and all that goes to abbreviate human labor in the wilderness. And with that, still before a settler comes, carload lots of fitted lumber, ready to set up school houses, meeting houses, hospitals—and when all is done settlement will move into its own, a new people in a new world carrying the old world with them.

In the light of this the silly questions: Is there work enough? Is there food enough? Is there market enough? seem like the sniggering cautiousness of the Village Idiot, wary of novelty.

See Election For Alberta

Splitting of Radical Vote May Give Social Credit the Lead

From Our Own Correspondent

EDMONTON. — With the announcement by Hon. Solon E. Low, Alberta treasurer, that the 1944 estimates will contain an expenditure for a general election, it begins to look as if Premier Manning may soon take the plunge.

Observers, who six months ago didn't give the Social Crediters a chance of being returned to power, now aren't so certain. In the Red Deer by-election where the Independent party held the seat, the government candidate beat out the Independent competitor by a healthy margin, and soundly trounced the CCF candidate.

All three parties are lining up candidates in any event, and are busy preparing for any campaign which might be called. Also preparing is the Communist party, called Labor-Progressive, which will contest a number of ridings.

With CCF and Communists both in, it is felt the radical or Socialist vote will be split. Many Albertans, unconvinced that the Independents aren't the old-line parties under another name, might give Social Credit sufficient votes to come out on top.

Voters are quick to forget mistakes, and it is generally conceded that Premier Manning hasn't made many. So he hasn't much to fear from that quarter. The glaring political bungle he did make, was reversed by his government when the public protested, so once again everything is going smoothly. That was when the cabinet passed an order-in-council waiving payment of the late Premier Aberhart's succession duties. A howl of anger swept government circles, even from devout Social Crediters and the Manning government cancelled its own order, collected the money.

If an election is called in Alberta this year, it is expected to be held just before a Dominion election if there is one.

Australia's Ration of Newsprint Raised

Covering the three months newsprint rationing period beginning Oct. 1, 1943, provision was made for the additional use by Australian newspapers of 7½% of the quantity of newsprint authorized for the previous period.

This increase in allocation has resulted from a 5% increase to allow for additional circulation and is to be used solely for this purpose and not to supplement the monthly average of sheets per paper.

The second allocation of 2½% was in respect to the quantity of paper to be used for Government advertising authorized by the Controller of Advertising, Department of the Treasury, and will be subject to annual audit, since shorter term verifications of consumption would not make provision for seasonal variation.

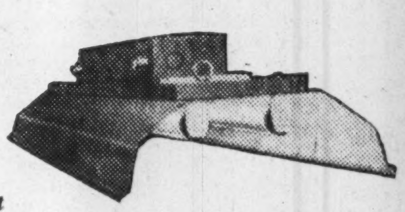
INEFFICIENT LIGHTING IS A THIEF

Inefficient lighting is a thief that robs you of manpower and materials . . . of manpower through the fatigue of difficult seeing, lower employee morale, greater accident toll, time wasted on production . . . of materials through excessive spoilage. Stop that thief by assuring adequate general lighting in your plant.

Amalgamated Electric makes ALL types of industrial lighting units, both incandescent and fluorescent, backed by broad knowledge and experience in their successful application. You can safely rely on Amalgamated Electric engineers to advise you on your lighting problems.

Amalgamated Electric Corporation Limited, Toronto and Montreal. Western Divisions: Langley Electric Manufacturing Co. Ltd., Winnipeg; Langley Electrical Co. Ltd., Calgary; Langley Manufacturing Co. Ltd., Vancouver.

RLM Dome



Industrial Fluorescent Unit

A43-34

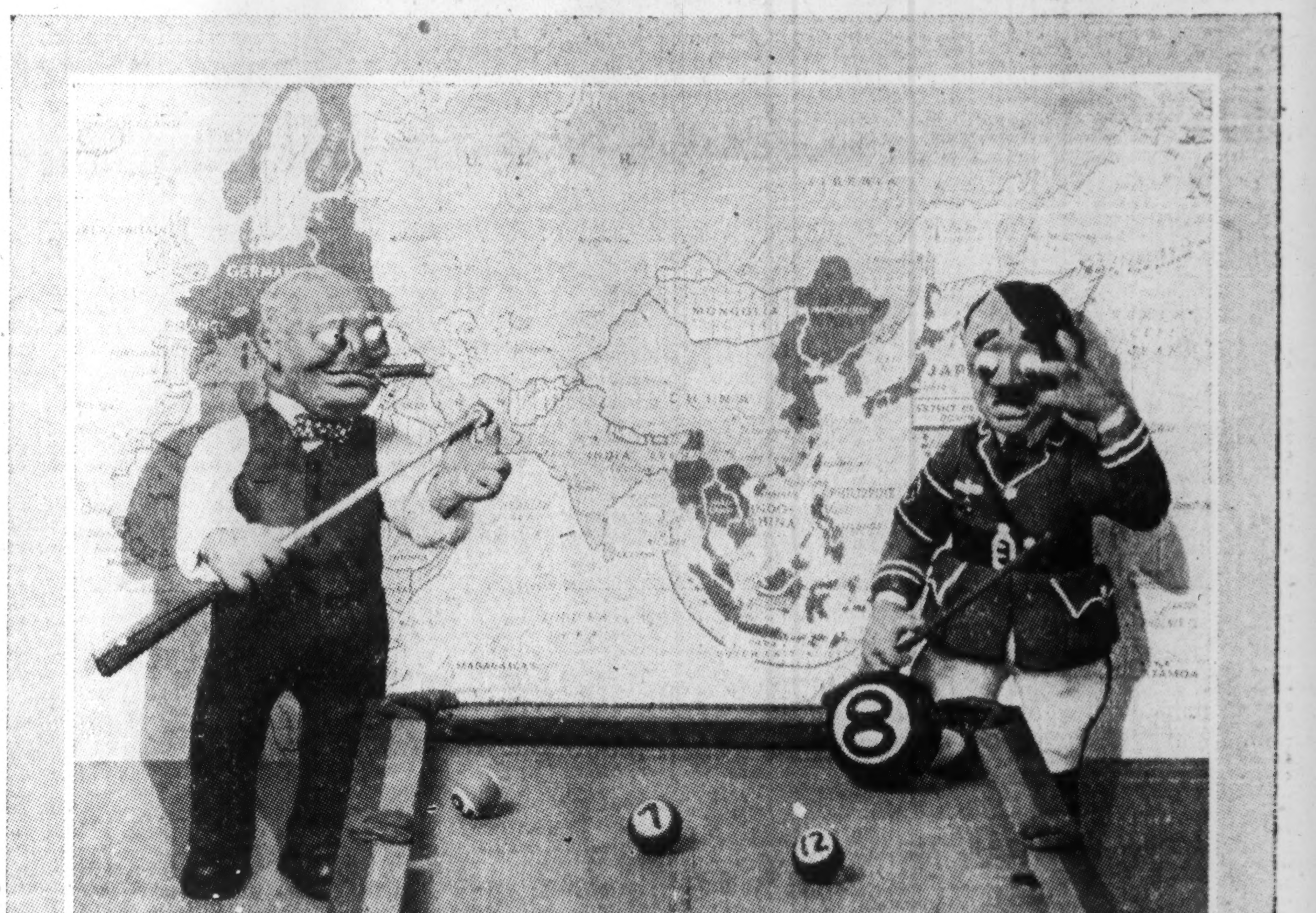
AMALGAMATED ELECTRIC CORPORATION LIMITED

Petitcodiac Power Plan Reconsidered

Directors of Petitcodiac Tidal Power Co. are reconsidering possibilities of development of power in the river and to that end may make application for renewal of the company's charter. Renewal of interest arises from the possibility of an electric power shortage in the Maritimes.

The company was formed several years ago to carry out a development involving the harnessing the high tides of the Petitcodiac by placing a dam at the mouth of the river and cutting an overflow channel through to the Memramcook River.

Senator C. W. Robinson is president of the company. Other members of the board are: Senator F. B. Black, Sackville; Dr. W. R. Turnbull, Rothesay; A. P. Paterson, Saint John; and E. R. McDonald, K.C., of Shediac.



"Behind the 8-Ball"

—Modelled by Winslow Mortimer.

MAKE no mistake about it — the dawn of 1944 finds the unspeakable Adolph right "behind the 8-ball." He has been put there by the fortitude of our great leaders, the valour of our fighting forces and by millions of men and women on production lines speeding the flow of vitally needed war equipment.

BUT while ultimate victory is certain — how soon that victory is another question. A cornered rat fights with savage teeth, desperation and cunning. Certainly there is no complacency on the part of our bomber and fighter crews . . . or our Canadian troops on the continent of Europe . . . or our sailors in sub-packed waters. No — complacency is a "home front disease" that sabotages effort and costs precious lives. Let us have none of it!

That's how we feel about things at Thompson Products where our creed remains, as before, "Top Production for Victory" — and to that end all our energy and determination will be applied to help "finish the job" in 1944.

The "Top Production for Victory" Drive Committee of

Thompson Products

THOMPSON PRODUCTS LTD., ST. CATHARINES, ONTARIO. OTHER PLANTS IN CLEVELAND, DETROIT, LOS ANGELES; TOLEDO AND EUCLID, OHIO

Manufacturers of over 1,000 different aircraft and engine parts; and of original and replacement parts for the wartime automotive industry

Extra Million Pairs Baby Shoes for 1944

WPTB has announced that production of children's shoes in 1944 will be increased by at least one million pairs, as a result of cooperation on the part of WPTB officials and the leather industry.

In 1942 there were 1,923,930 pairs of infants' and babies' shoes produced at a cost of $1,407,866 as compared with 1,673,827 in 1941 at a cost of $1,185,054. For the ten months ending Oct. 31, 1943, production in the infants' leather wear division totalled 1,700,040 pairs.

Investment Notes

Toburn Gold Mines production for November was $49,751 from 3,305 tons of ore milled. The preceding month, $52,750 was recovered from 3,540 tons.

* * *

Milton Brick Co. has declared a dividend of 2½ cents a share payable February 1, to shareholders of record Jan. 24, first payment since 1929.

* * *

Second Inter-State Royalty Corp. reports its investments in oil royalties had a book value of $295,069 as at Nov. 30, 1943. Gross revenue from royalty income since acquisition amounted to $79,168 to Oct. 31, 1943, and reserve for depletion $21,771. Gross royalty income was $601 in October and for the 10 months $9,864.

* * *

Ontario Silknit Ltd. has declared an interest payment of $1 on its income funding rights, payable Jan. 25, 1944, to holders of record Dec. 31; ex-dividend Dec. 30. Similar payments have been made annually since 1941.

U. S. Advertising Gain Slows up in November

Held back principally by retail and departmental store classifications which have been hit by the lack of consumer goods, total newspaper advertising linage in 52 key American cities during November gained only 7.2%, according to reports of Media Records Inc. published in Editor and Publisher. Big gains for the month were reported by automotive which was ahead 40.6%, general which was up 12.2% and classified which gained 17.9%.

THE PROVINCIAL BANK OF CANADA

43rd Annual General Meeting of the Shareholders

Analysis of the Statement by the General Manager, Mr. J. U. Boyer
President's Address, Mr. Chs. A. Roy

The 43rd annual meeting of the Shareholders of The Provincial Bank of Canada was held at the Head-Office in Montreal on Thursday, January 13th, 1944. The President, Mr. Chs. A. Roy, was in the Chair. The notice calling the meeting was read. The minutes of the last annual general meeting were approved. The Report of the Board of Directors was read and the financial statement for the year ending November 30th, was presented.

On motion of Mr. Chs. A. Roy seconded by Mr. J. E. Laforce the Directors' Report and statements submitted were adopted unanimously. The annual report of the Board of Commissioners-Censors was presented by the President of the said board, Hon. E. L. Patenaude, P.C., K.C., and was adopted.

The following Directors were elected: Messrs. L. J. Codère, Cecil L. Carsley, C. G. deTonnancour, Hon. R. O. Grothé, M.L.C., Alfred Lambert, Alfred Marois, Jean Rolland, Chs. A. Roy, George A. Savoy.

The following were elected members of the Board of Commissioners-Censors: Messrs. Narcisse Ducharme, L. E. Langis Galipeault, LL.L., B.Sc., Hon. Senator Antoine J. Leger, K.C., Mr. Victor Morin, N.P., Hon. E. L. Patenaude, P.C., K.C., Clement Tremblay.

At a special meeting of the Board of Directors held immediately after the General Meeting of Shareholders, Mr. Chs. A. Roy was re-elected President and Messrs. Jean Rolland and Geo. A. Savoy were re-elected Vice-Presidents.

At a meeting of the Board of Commissioners-Censors held simultaneously, Hon. E. L. Patenaude, P.C., K.C., was re-elected President and Hon. Senator Antoine J. Léger, K.C., Vice-President.

ANALYSIS OF STATEMENT AND PROFIT & LOSS ACCOUNT BY THE GENERAL MANAGER

The statements of the Bank for the year ended 30th November 1943, which are before you, show a year of satisfactory progress and an appreciable rise in the assets.

Total assets at $92,399,690, are approximately $20,000,000 higher than at the same date last year. As will be seen from the figures, the Bank's usual strong liquid position has been maintained. Cash items and other readily realizable assets amount to $74,754,916 and represent the high ratio of 85% of the liabilities to the public, as compared with 79% last year.

Cash items, which include notes and cheques on other banks, notes and deposits with the Bank of Canada and deposits with foreign correspondents, totalled $13,917,184, and are approximately $3,500,000 higher than last year.

Investments have increased substantially. Short term Dominion and Provincial Government securities of $24,806,231, are $7,415,348 higher than the previous year. Other Dominion and Provincial Government securities of longer maturity amounted to $22,774,120, and show a gain of 92% during the year. The corresponding figure in 1942 was $11,872,592. Investment in Canadian municipal and other bonds, debentures and shares, which at the 30th November 1942 were $11,275,054, have declined to $9,533,443, or a reduction of $1,741,610.

There was greater activity in demand loans against securities during the latter part of the fiscal year. Call and short term loans against marketable securities increased by the sum of $1,161,864, and at the 30th November 1943, stood at $4,137,568.

Because of the easier financial position in which most industries and commercial undertakings now find themselves, the demand for current loans has not expanded. Total current loans, which at the end of the fiscal year amounted to $13,779,274, show a decline of about $300,000.

As wartime controls of business and credits are eased or lifted and industry switches from war production to a peace time basis of requirements, the demand for current loans will doubtless be greater. Since your Bank enjoys a strong liquid position, it will, as in the past, be ready and willing to assist its customers in the loaning of funds in all cases where the possibility of successful operations is well established and the repayment assured.

Deposits show an outstanding increase and are now at a figure of $85,688,324 as compared with $65,420,580 last year. Non interest bearing deposits rose from $16,820,418 at the 30th November, 1942, to $20,781,599 on 30th November 1943. The increase in non interest bearing deposits has arisen largely out of idle capital in the hands of the Bank's customers, brought about by a reduced volume of credits and lower inventories. Interest bearing deposits showed an exceptional gain during the year, rising from $44,186,457 in 1942 to $55,316,870 at the 30th November last, or a net growth of $11,130,412. Many more people now carry savings accounts and the public in general appear to be more thrifty. The credit balances presently maintained are higher than in 1941 and 1942. Deposits of the Dominion and the Provincial Governments have reached a total of $8,542,072 as against $4,380,078 last year.

The notes of the Bank in circulation, at $1,348,900 reflect a contraction of $424,770. This reduction complies with the provisions of the Bank Act which require that notes of the Chartered Banks be replaced, gradually, by notes of the Bank of Canada.

Notwithstanding the lower yield on investments, the profit of $455,760 for the year is but slightly less than the showing for the preceding one. After providing for Dominion Government taxes of $175,691, using $70,000 as a write off against Real Estate, and providing for the payment of $200,000 in dividends to the Shareholders, the balance carried forward on Profit and Loss Account is $221,845, as compared with $211,776 last year.

The income and excess profit taxes paid by the banks and by businesses generally have become exceedingly onerous, as they represent a large part of the net earnings. These taxes, however, are not the only imposts which have to be borne. Many others, not so apparent, but none the less levied, constitute a substantial aggregate and add appreciably to operating costs.

During the course of the year, the branch located at 387 Main Street, St. John, N.B., was closed and the business transferred to the Charlotte Street branch, in the same City. The Rogersville, N.B., branch was converted into an agency and the Brebeuf and Pointe au Chêne agencies in the Province of Quebec were closed.

All branches were inspected during the course of the year.

The services of the Bank to the Government in the matter of subscriptions to Victory Loan Bonds and the delivery of the bonds to the public, the safekeeping of the securities, the handling of ration coupons, as well as a multitude of other services, have added considerably to the duties of the Bank's staff. These additional duties, coupled with a larger volume of daily transactions and the loss of some of the trained employees has resulted in a heavier load than usual on the shoulders of the experienced staff, who have had to carry on with the aid of untrained help. The ratio of female employees continued to rise during the year, and the number of the staff, as a whole exceeds the quota of the pre-war period.

It is a pleasant duty to extend my sincere thanks to the officers and members of the staff for their loyal efforts throughout the past year, which has not been an easy one. I would also like to express my appreciation to the Board of Directors of the Bank, who have so kindly given me their co-operation.

THE PRESIDENT'S ADDRESS
Mr. CHS. A. ROY

My first words will be to recall to your memory our late colleague, the Honourable Senator Louis Cote, Barrister, who died in the month of February 1943. Mr. Cote was a man of great sympathies, endowed with fine judgment, and was keenly interested in the business of the Bank. I wish to pay tribute to his memory for the many services which he rendered.

The General Manager has given you a review of the figures in the Balance Sheet and in the Operating Statement. He has also explained some of the principal items. Your Directors consider the showing reflected by these statements as satisfactory, and I hope it will also appeal to you in the same way.

The total assets of the Bank increased appreciably during the year. The new resources were used to add to our holdings of government bonds and other quickly realizable assets.

The revenue derived from miscellaneous services and from investments is higher than that of the preceding year. The factor which contributed most to the higher revenue, is the increased investments. The additional operating costs, however, have absorbed the greatest part of the increased revenue.

No modification having been made in the exceptionally high tax on profits, which was imposed in the year 1942, the dividend paid to the Shareholders has remained at the rate of 5%.

The figures in the Balance Sheet submitted to you, again show a substantial increase in deposits. Despite the withdrawals to cover subscriptions to the Victory Loans, the public continue to maintain appreciable cash reserves and are thus in a better position to sustain the war effort and to contend with post-war circumstances.

Foreseeing the possibility that, after the close of the war, there may be a withdrawal of part of the increased deposits, for the purpose of trade expansion and the cost of changing over plants to meet peace time demand, as well as for the development of the many other activities, which have had to be abandoned or held up because of the war, we propose maintaining a strong liquid position.

Federal Government issues kept first place in the bond market during the past year. Although the two war loan issues, offered to the public in the year 1943, were for higher amounts than those on the market in previous years, subscriptions to both issues exceeded their objectives by substantial margins. The prices of Government and Municipal bonds have been firm, with a tendency to strength. There was no change in the cheap money policy. Although the remuneration for services in all other spheres of activity has increased most considerably since the outbreak of war, the rate of interest remains very low.

The expansion that took place in industry and commerce, together with a greater circulation of currency, during the year 1943, has added to the resources of certain classes of society, but, conversely, has made more difficult the problems of those who have capital or those who are burdened with administrative responsibilities.

The volume of war production attained a new peak during the past year. The importance of the development was recently referred to by the Honourable the Minister of Trade and Commerce, as representing a dollar volume of some $55,000,000 per week. Industries engaged, partly on the production of war goods and partly on civilian requirements, also operated at high capacity. The working class, favoured by conditions, could always find employment at still higher wages. Revenue from agriculture and live stock exceeded that of many years past.

Retail trade in general remained active. Owing to rationing, many establishments found it advisable to cease doing business, due to their inability to obtain a sufficient volume of merchandise.

The numerous and complex regulations of the Wartime Prices and Trade Board and the rigorous application of certain of the other war measures, principally those concerning the control of manpower, have proved a source of embarrassment to industries and commercial establishments operating exclusively for civilian requirements. The lack of raw material in certain cases and, in others, the shortage of manpower, or the impossibility of getting the proper type of experienced help to replace those who enlisted in the Forces, or were drafted into the war industries or Government services, have, in many quarters, given rise to a feeling of anxiety as to the future.

Maintenance of taxes on a high scale for a period of several years, gives rise to the thought that such taxes will be permanent. The present abnormally high tax on profits has made it impossible for those companies and others in business, who at the outbreak of war had burdensome liabilities, from reducing their debts. Their credit is thus weakened, because the possibility of borrowing, or of obtaining a delay, is based upon the possibility of repayment. Special consideration should be given in those cases where debts are high and the working capital inadequate.

For some time, various groups advocating different policies, have been contending for Federal Legislative power. As the outcome of the issue may have a far-reaching effect on the economic life of the country, the question in the minds of many is whether the nation is going to remain on a centrally planned and directed economy, or if it will again forge ahead on a system, if not completely free, then at least, enjoying sufficient liberty so that capital and private initiative may continue to contribute to the progress and development of the country.

A great deal of consideration has, during recent months, been given to the question of post-war conditions, and plans are being elaborated on the assumption that private enterprise will continue to carry on its usual activities. All measures to prevent unemployment, as well as those aiming at economic development, should have as their objective the employment of as many workers as possible at their usual tasks, whether in industry, commerce, agriculture or in the technical professions. Collaboration to this end on the part of all economic forces in private industry, will obviate the creating of possibilities of work under a Government sponsored plan. The possibilities of work developed by means of public works will have the inevitable consequence of an increase in the nation's debt—now very high—with an extension of control by the State at the expense of economic liberty.

Until such time as peace is restored, the duty of everyone, as it has been since the outbreak of hostilities, is to be industrious and thrifty and, to devote all resources to the task of winning the war with a minimum amount of disruption to the economic system.

The subscriptions to the 1943 Victory Loans, which greatly surpassed their objectives, indicate again in an unmistakable way the will of the people to pursue their war effort notwithstanding the sacrifices which have to be made.

Trends in British Banking

See Change in Employment of Funds Similar to Canada

Features of the Canadian banking situation during the past year as indicated by the annual statements of chartered banks published to date have included expansion in deposits and increase in liquid resources both absolutely and in relation to liabilities to the public. Investments have shown a steadily increasing proportion of bank assets with percentage of loans and discounts to the total declining.

Similar Trends

Somewhat similar trends in the position of the British banks are reflected in a review by the London Economist, for the year ended September, of the banking situation in the United Kingdom.

Noting that the motive power behind expansion in bank deposits is the government's deficit financing, The Economist sees this situation continuing well into the years of peace.

Changes in liquid position, it indicates, have been due to other factors than cash, which has remained in an unchanged ratio to the general credit position over the year. Says The Economist:

Cash to Support Credit

"The authorities evidently take good care to create just as much bank cash as will support the pyramid of credit which the banks' participation in deficit financing demands. Apart from this, the past year's changes in bank assets contrast sharply with those for the previous year."

Notable developments during the year in British banking, The Economist notes, are a smaller increase in bank investments and a slower rate of decline in loans and discounts than in the previous 12 months. Increase in investments during the year is the smallest since the first year of the war. At £63 millions it compares with an increase of £157 millions in the year to Sept., 1942, and £242 millions to Sept., 1941. The article continues:

Reports of the Canadian chartered banks issued in the last few months have indicated generally an increase in deposits and investments with a smaller proportion of bank funds going into loans. The liquid position of the banks accordingly has been considerably increased. In a recent article, the London Economist indicates much the same trend in the British banking field.

Smaller Participation

"The banks' direct participation in the various savings campaigns has been on a much reduced scale during the past year. This is a matter on which congratulations may be handed to all concerned. There should be a saturation point to the banks holdings even of medium-dated government issues, whether the position be viewed from the angle of the nation as a whole or of the banks and their depositors. Even allowing that the banks are protected by maturity dates and that there is little serious danger to cheap money 'in our time,' medium-dated government stock is far from the ideal counterpart to deposits repayable on demand or comparatively short notice, and when the investments dominate the balance sheet as they do today and represent no less than 31% of these deposits, the purist may be forgiven a frown.

Loans and Discounts

"Loans and advances continue to decline over the past year, but at a much slower pace than . . in any comparable period of the war. The drop of £41 millions in this item over the 12 months to last September reflects the further contraction in the private sector of the industrial front and at the same time the smoother running of the progress payments system by which the various supply departments provide war industry with the bulk of its requirements of working capital. The drop in bank advances would have been sharper during the past year had a certain type of advance, that granted to finance tax payments, not increased relatively to the whole. This development must be connected with the wording of the Finance Acts defining Excess Profits Tax standard profits.

Bank Loans as Capital

"In so far as bank loans are held to be 'capital employed in the business' for the purpose of arriving at the standard profits, firms liable to EPT have been encouraged to meet their liabilities at the earliest moment, even anticipating them as far as possible, and doing so with the help of bank finance.

"There have also been cases of firms liable to EPT accumulating tax reserve certificates and, though not doing so directly with the help of bank loans, nevertheless showing some expansion in these loans concurrently with their acquisition of these new securities. In such cases the borrowing firm will have borrowed from its bankers in the normal course of business, but by so doing will have financed with bank credit, requirements which it could have financed from its own internal resources, had it not at the same time acquired these highly attractive government securities. The more fundamental and long-term factors making for a contraction of bank advances have, however, more than neutralized these rather spurious stimulants."

Quick Assets

Apart from cash which has remained at a fairly steady ratio of a little over 10% of deposits there have been some marked changes in the composition of quick assets. For instance, the Economist states that while in 1939 short loans represented between 6 and 7% of deposit liabilities, they now barely exceed 4%. Bills discounted have fallen from 12-16 to about 6%. The gulf disclosed by these figures has been filled by treasury deposit receipts, something apparently like the deposit certificates sold by the Dominion Government to the Canadian banks. These British treasury deposit receipts by last September represented 26% of deposit liabilities and were gaining fast on investments in the race for first place in the ranking of banking assets. "The banks' quick assets are therefore dominated by this new item which, since its first appearance in July, 1940, has risen beyond the £1,000 million mark," the writer adds.

Non-negotiable Assets

It is noted that while TDR's are always included in quick assets, their claim to the position is subject to certain reservations. They are non-negotiable and can only be liquified prior to maturity, if tendered for subscriptions to government tap loans either for direct account of the bank concerned or for account of its customers. This means that ordinarily they cannot be cashed to meet a strained cash position. They can be discounted with the Bank of England at the official bank rate, but this is a procedure to which the banks normally would object.

Because of the special character of such a large part of their liquid assets, the banks have had to enhance the liquidity of other quick assets, bills and short loans. Accordingly they have shown a distaste for treasury bills unless they have run about half of their maturity.

Because of the larger deposits, the diversion of bank funds in larger volume to the more liquid type of assets, where the return is probably lower than in others, has, The Economist thinks, probably had little effect on the banks' earnings.

Here, too, similarity to the Canadian situation is seen as Canadian banks have been able to invest their larger funds, due to increased deposits, and thus offset the decline in the proportion of funds used in loans.

DIRECTOR

Cecil L. Carsley, who has been elected a director of the Provincial Bank of Canada. He is president of Canada Vinegars Ltd., Toronto and the Lion Vinegar Co., Montreal.

Says State Insurance Proved Unsatisfactory

Edwin C. McDonald Declares Much Criticism Due to Intellectual Dishonesty — Sees Problems for Underwriters in Postwar World

Intellectual dishonesty is at the bottom of much of the criticism of life insurance heard in recent months, Edwin C. McDonald, vice-president in charge of the Canadian operations of the Metropolitan Life Insurance Co. told the Life Underwriters' Association of Toronto last week.

As an example, he noted the suggestions in both the Beverage report in Britain and the Marsh report in Canada that industrial insurance should be eliminated. Both had spoken without full investigation and accordingly their conclusions were unfair. This he described as intellectual dishonesty.

Related to Ordinary Insurance

Stating that industrial insurance is so closely related to ordinary insurance that if one goes the other goes, Mr. McDonald declared that while collection of the premium at the home in industrial insurance costs something, the additional cost is very little. Sir William Beveridge, he stated, had recognized the important work done by the collectors of industrial premiums in acting as friends and guides of the workers in helping them to provide for the future. But he had proposed an insurance plan, which was really a big group policy ostensibly on everyone in the United Kingdom. He had not, however, drawn attention to the fact that it would eliminate everybody under 16 and over 60. Mr. McDonald said he wondered why he didn't make the age limits 12 and 55 as this would reduce the cost of insurance further. A British actuary he noted had estimated that insuring everybody between 16 and 60 would increase the liability of the British Government £150 millions.

More Recent Attacks

More recently, he stated, life insurance in Canada had been under attack by a political party which seeks to nationalize life insurance,—"in fact all the private financial machinery of the country." He asked what would happen to the progress of life insurance if the plans of insurance costs and service were dictated from a governmental bureau at Ottawa? It would be highly desirable for every head in the civil service to learn that goods have to be merchandised as well as manufactured.

As an example of what happens under government schemes of insurance he noted that in England, the post office plan had proved unsatisfactory and been abandoned. The Massachusetts savings bank plan although offering insurance at rates well below those at which a private enterprise could offer it, had attracted relatively few policyholders and the amount of insurance of this type was relatively small. The state government had to subsidize it and the low rates charged for insurance would have been impossible if those administering it had taken into consideration such items as rent, postage, stationery, equipments etc.

Under this state sponsored plan, it was claimed, there were no agents but investigation revealed there were over 500 agencies some of them in plants among employees where they had a preferred position to sell insurance.

Postwar Era

Insurance underwriters in the postwar period, said Mr. McDonald, would have to prepare themselves for a transition from a sellers' to a buyers' market. Three factors to be considered he indicated were:

Competition of many men returning from the armed services as insurance underwriters. These men, he said, would be young, keen, anxious to make up the years lost in war.

Competition for the citizen's dollar from all sorts of consumers' goods which householders had been going without.

Elimination of the compulsory savings feature of the income tax as it affects insurance premiums. This, he said, had not been the important factor in insurance sales many people thought it had been, but it was a factor and had to be considered.

Head Office Responsibility

Insurance company head offices, he declared, must be more alive to the needs of the men in the field. There should not be a fieldman's viewpoint and a head office viewpoint but only a company viewpoint.

All efforts should be made to simplify insurance forms and company statements so policyholders will understand what they mean.

Housing projects were a field where he felt the life companies could take a larger part after the war.

He believed there was a great deal of work to be done replacing obsolete and unsafe bridges, and public works and supplying goods for consumer needs.

The attendance at the meeting was one of the largest on record.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

J. GALBRAITH, manager, Stratford, Ont., to be manager, Delhi, Ont.

R. C. BROWN, manager, Simcoe, Ont., to be manager, Guelph, Ont.

J. P. DOUGHERTY, manager, Delhi, Ont., to be manager, Simcoe, Ont.

F. P. BOYCE, manager, Trenton, Ont., to be manager, Kingston, Ont.

L. ASHFORTH, manager, Bloor & Lippincott, Toronto, to be manager, Cobourg, Ont.

W. A. JOHNSON, manager, Cobourg, Ont., to be manager, Trenton, Ont.

E. A. HISCOX to be manager, Bloor & Lippincott, Toronto.

The **Bank of Nova Scotia** announces the following staff changes:

J. F. THOMPSON, to be manager, St. Catharines, Ont.

T. G. ADAMS, to be an assistant manager, Toronto.

C. G. WEBSTER, to be assistant agent, New York.

C. R. HANDRIGAN, to be assistant manager, St. John's, Nfld.

A. L. SINCLAIR, to be accountant, New York.

D. M. WORNELL, to be accountant, St. John's, Nfld.

D. F. BENNETT, to be accountant, Timmins, Ont.

A. T. BROOME, to be an assistant supervisor of branches, and to continue to be attached to the office of the Supervisor at Havana, Cuba.

D. B. McGEE, to be accountant at Gerrard and Woodbine, Toronto.

B. R. CALDER, to be an assistant supervisor at general office, Toronto.

W. C. SCOTT, to be an inspector.

The Bank of Montreal announces the following staff changes:

A. SMITH, assistant manager, Winnipeg, to be manager, Saskatoon.

C. T. AULPH, assistant manager, Toronto, to be assistant manager, Winnipeg.

F. W. QUANE, inspector at head office, to be assistant manager, Toronto.

The Royal Bank of Canada announces the following staff changes:

C. M. GARCIA, supervisor's department, Havana, Cuba, to be manager Muralla 374, Havana.

M. P. JOHNSON, manager, Union Stock Yards, St. Boniface, Man., to be manager, Main & Selkirk, Winnipeg.

G. F. TREVEJO, to be manager, Marianao, Cuba.

H. E. T. WAY, accountant, Winnipeg, to be manager, Union Stock Yards, St. Boniface.

J. A. YZNAGA, manager, Muralla 374, Havana, to be joint manager, Havana.

F. M. TAYLOR, to be accountant, Winnipeg.

R. M. WILSON, manager, Sherbourne & Queen, Toronto, retires on pension.

A. E. IVEY, manager, Main & Selkirk, Winnipeg, retires on pension.

Siscoe Gold Mines reports production for the quarter ended Dec. 31, 1943, of $333,003 compared with $411,326 in the preceding quarter and $442,273 in the late quarter of 1942. Total production in 1943 was approximately $1,650,000 against $1,792,291 in 1942.

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B. C. Electric Rail Deal Reaches New Impasse

From Our Own Correspondent

VANCOUVER. — The somewhat half-hearted negotiations for public ownership of the British Columbia Electric Railway (B.C. Power) reached another impasse during the past week when Premier John Hart announced the municipalities were evidently not greatly interested in the project and that, so far as the provincial government was concerned, there was no intention to take over the utility.

Nearly a year ago Mr. Hart told the legislature his Government would assist the municipalities in their effort to acquire the company, but he subsequently pointed out that his government had no desire to take over control. In a statement to The Financial Post, he intimated that his Government stood ready to assist the municipalities in financing the purchase of the company should they decide to do so, but that the government's responsibility would end there.

CCF to the Fore

As a result of the municipalities' reluctance to make a move and the unwillingness of the government to become the bellwether for public ownership in B. C., the whole movement is at a standstill, although it is a safe guess the issue will be a major subject for debate at the session of the legislature beginning Feb. 1. The CCF, which favors state control of public utilities, may be counted on to make the most of the situation.

Meanwhile Dr. W. A. Carrothers, chairman of the Public Utilities Commission, says the commission has "officially squeezed the water out of the stock of the company (B. C. Electric) and it has also made it impossible for the company to put values into its stock in the future at the expense of consumers."

Dr. Carrothers says that at no time did his commission have any intention of recognizing stock issues as having any bearing on the value of the company's properties.

As a result of the commission's investigations the figure of $78 millions was arrived at as being in 1942 the maximum amount on which users of the services of the company are called upon to provide a return. Of this amount, the shareholders' equity has been established at approximately $31 millions, the remainder being a debt of the company in the form of bonds and debentures. Any increased value of the stock of the company, according to Dr. Carrothers, must be an increase in real values provided not by the consumers, but by the investors themselves.

As to the rate of return which should be allowed on this balance or on the stockholders' equity, the commission has concluded that a rate of 7½% would be equitable. This, combined with the 5.3% on the bonds and debentures, resulted in a figure of 5.8% which was regarded as a fair rate of return considering all the circumstances.

Taxes Difficult

To stabilize rates the commission recommended provision of a stabilization fund to which would accrue each year the amount earned over and above the fair rate of return, but the present system of federal taxation makes this impossible. In fact, federal taxation has made it impossible for the company to earn and retain what the commission believes to be a fair rate of return. The maximum the company can retain at the present time is 5.2%.

"The taxation system of the Dominion Government," says Dr. Carrothers, "makes it extremely difficult, in fact impossible, for the commission to put into effect in this province what it believes to be a fair and reasonable method of utility regulation. It is for this reason among others that it has been impossible for the commission at the present time to make a reduction in rates on the basis of a complete revision of the rate structure of the B. C. Electric Railway."

H. R. MacMillan and Austin C. Taylor, two of the Vancouver directors of the company, have resigned without official explanation, although it is reported the powers of directors and distribution of profits were points at issue. President W. G. Murrin, vice-president E. H. Adams and George Kidd, former chairman and president, are other Vancouver directors.

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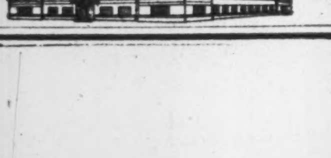

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Moving Closer to Latin America

(Continued from page 10)

avoiding a superiority complex in comparing similar features in Canada.

The Latins are very proud and sensitive of criticism, intensely nationalistic and proud of such industrial plants and factories they may have and highly jealous of each other. South America is quite fed up with political commissions, frequently unfamiliar with actual trade conditions, who only remain a few days in places visited usually under direction of diplomatic representatives.

Both United States and England will, in a measure, be subject to local prejudices due to war activities. Further, Latins are apprehensive of huge English or U. S. investments which may possibly jeopardize their economic independence. Canadian capital in comparison would be received with less apprehension. The commission should discourage being publicly entertained. To the contrary, they should offer very modest entertainment to individuals or small groups, avoiding ostentation where in the commission's judgment some is advisable.

• • •

Caio de Mello Franco

Minister of Brazil, Ottawa.

I feel closer business relations between Canada and Brazil need direct business between importers and exporters of both countries, establishment of direct air and maritime lines, and tariff treatment closer to the one accorded to the Empire countries as a good neighbor policy. It would be advisable perhaps for Canadian firms to have their own commercial agencies or representatives in Brazil, special competitive prices for their merchandise in order to conquer the market, and good credit conditions. About cultural relations—exchange teachers and student scholarships—would help a great deal to bring closer both countries and tighten friendship.

• • •

Juan Ulises Garcia, C.E.

Consul for Republic of Dominica, Toronto.

Canada, by opening its doors on a basis of mutual confidence, without taxes or protective restrictions on Latin American exports; by offering good products at better prices than its competitors; by exchanging cultural missions of newspapermen, professors and students in order to contact our men who are representative in science and politics; by intensifying with an adequate program the study of Spanish on the same plan under which we study English in Latin America; by creating a special committee to translate into both languages the most notable works of its writers and thinkers; by offering aid to any Canadian institution trying to promote relations with Latin America; and, what is more important yet, by breaking the ice with which the Canadian press, with rare exceptions, receives information on Latin America and the indifference with which it treats the representatives of our countries in Canada, and by giving these representatives an opportunity, at least once a week, to give information in the newspaper columns on the cultural activities of their respective countries.

• • •

Robert Huckvale

Managing director, MacMillan Publishing Co. of Canada, Toronto.

Closer business and cultural relations with Latin America could be fostered in many ways. Recently a representative display of books written and published in Canada was sent to Latin America where it will be exhibited in various cities. Other displays could be arranged and sent on the same mission—for instance, a collection of representative Canadian art and handicraft. Manufacturers, too, might be interested in sending samples of their merchandise. Goodwill visits made by experienced journalists would also be of the greatest help.

So far as literature is concerned, very few publications of any sort or kind from any Latin American countries are known in Canada, although an association in Brazil has recently written to Canadian publishing houses, editors of newspapers and so on with a view to bringing about some sort of exchange of one another's literature in translation. If Canadian publishers could make available to Canadian readers good translations of good books from Latin America and if it is possible to arrange for representative Canadian books to be available in translations in South America, we feel it would do more to bring about a friendlier understanding of one another than almost anything else.

• • •

Dr. A. H. McGreer

University of Bishop's College, Lennoxville, P.Q.

My opinion is that Canadian businessmen are the best guides for an effort to achieve the former objective. To achieve the latter objective, travel should be encouraged and a reciprocity in inviting cultural groups to spend a period of at least six months studying the language, customs and history of the country which they visit. It appears to be a dictate of history that the relations between peoples of the northern hemispheres should be of more consequence than the relations between peoples north and south of the Equator.

• • •

Prof. E. H. Morrow

University of British Columbia, Vancouver.

The Canadian trade exchange with Latin America has a limited prospect because the southern temperate zone has similar production to Canada, giving no basis of profitable exchange. Tropical countries produce high value, small, bulk items, making return cargo shipments difficult. The best prospect appears to be Brazil, but trade will require a policy of foreign, long-term, national investment to support any substantial market. Also, Brazilians must be taught to use Canadian manufactured products. It may be possible to develop a cross shipment of heavy equipment goods against bulk, raw material for Canadian plants.

• • •

Mgr. Olivier Maurault

Rector, University of Montreal.

The University of Montreal began the task of fostering cultural relations with Latin America early in 1940 by the foundation of the Union Culturelle des Latins D'Amerique. This Union covered first Canada and now the movement embraces all the now the movement covers all the republics of South America. Yearly congresses were held in Montreal along with monthly meetings, lectures on Latin America and the teaching of Portuguese. The Union Culturelle, whose seat is at the Catholic University of Montreal, collaborates with the Canadian Inter-American association. Exchange professors and students' visiting tours, specialized sections in libraries, governmental and commercial missions are so many means of fostering good understanding and friendship.

• • •

Abbé Arthur Maheux

University of Laval, Quebec.

In order to foster closer relations with Latin America, Canada should send to each republic a representative with good training in business and with high education, especially in Latin civilization, Spanish or Portuguese and French languages as well as in English. We should widely advertise our universities and colleges in order to attract students. We should teach our own students Spanish and Portuguese civilization, history and language. An exchange of news between our and their newspapers would do much. We should send to public and university libraries of Latin America quantities of Canadian books, French and English, and organize an exchange of correspondence.

• • •

Dr. Eduardo L. Vivot

Minister of Argentina, Ottawa.

Modify as far as war conditions permit some of the present regulations curtailing interchange of many products of both countries as well as mutual understanding for payment of such goods and shipping facilities for their direct transportation from country to country. Later on, revise our commercial treaty, facilitating interchange of certain commodities for mutual benefit with periodical exhibits of samples. Concerning cultural relations, organize in Canada an association similar to the one operating with success in Argentina for interchange of professors and artists, creation of scholarships and reciprocal exhibits of our artistic and literary works.

• • •

Paul Viau

Consul General of Nicaragua and Bolivia, Montreal.

At the end of the present war Latin America will be in the best economic position in its history. Canada should begin now the preparation of a good neighbor program to foster closer business and cultural relations with the 20 Latin American republics forced by war intensively to develop their great natural resources.

But foreign trade is a two-way street, and if we want to sell Canadian products to Latin America we must also import Latin American products into Canada. We must dramatize world trade, abandon economic nationalism and co-operate in opening global trade channels so all may profit.

To understand your neighbor you must first speak his language, so Canadians should learn that 125 million proud Latin Americans speak nothing but Spanish except in Brazil where Portuguese is spoken. Spanish today is the second most important commercial language in the world, surpassed only by English. Canada should also become a member of the Pan-American Union without further delay.

• • •

W. J. Weldon

President, Canadian Exporters' Association, and general manager Coleman Lamp & Stove Co., Toronto.

First, in regard to closer business relations with our good friends in Latin America, close government to government contacts, carefully prepared and mutually beneficial trade agreements, with fully qualified trade commissioner representation, is our government's share of such responsibility. High quality merchandise competitively priced with adequate means to service is the responsibility of business. Our cultural relations with Latin America can best be sponsored by developing a sympathetic and genuine appreciation of the Latin American temperament and by becoming actively engaged in the reciprocation of educational data between our countries.

• • •

V. R. Smith

General manager, Confederation Life Association, Toronto.

Provided it can be satisfactorily arranged by the countries, each country should set up an embassy in the other.

Our commercial and trade representation should be both improved and expanded and better statistical records of our trade with Mexico be kept. At present some at least of our imports from Mexico are assumed to be from the U. S.

Business should be encouraged to take steps on its own initiative taking advantage of the business opportunities in both countries, and that Canadians be encouraged to think in terms of sales. Boards of Trade and other business organizations should be encouraged to arrange business tours in Mexico, perhaps under government auspices.

We have been doing business in Mexico for over 40 years and for many years our relations with the Mexican Government have been happy ones. Further our business in Mexico has been most satisfactory. There is a grand opportunity for Canadian business to expand trade with Mexico which should be seized and energetically followed up.

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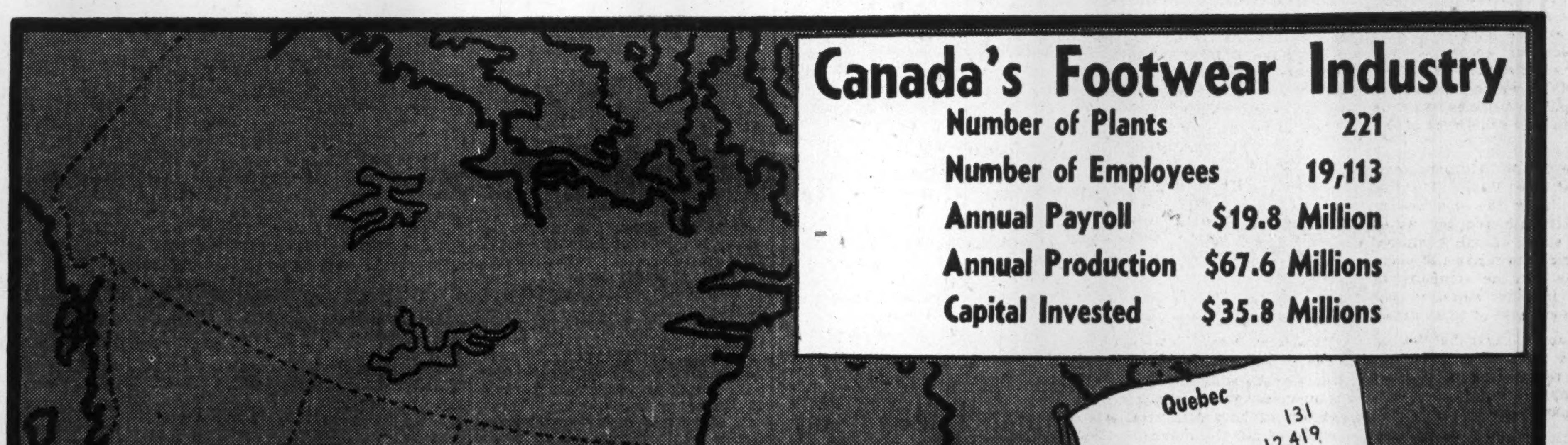
Footwear For a Fighting Nation

Industry Makes Ten Million Pair of Boots in Addition to Adequate Civilian Supply



By CLIVE H. CHATTOE

Since the outbreak of the war the Canadian footwear industry has turned out sufficient boots and shoes to provide every citizen of the Dominion with 10 pairs. But few civilians have seen more than half this number, as a total of eight million pairs, especially built and heavy duty, have gone to the armed forces.

This is the story of the industry behind that output. It is not great among the great of Canada but far advanced from earlier status. It is composed of over 200 plants, scores of which employ no more than a dozen workers, up to several with long lines of power machines and handled by hundreds of operators.

Footwear assumed peculiar importance as fighting and production for war became essentials of national existence, and the shoe industry in four years appears to have earned thoroughly the honors it is being paid for keeping 12 million Canadians well shod—especially the 15% fighting on battlefield and in factory. With mass-produced, low cost footwear of good quality, it has held, with a small subsidy, the shoe price ceiling, kept replacements flowing to the armed services, and with the aid of the shoe retailer but without rationing, maintained an adequate supply for the home front. When we compare this with the rigid shoe rationing of Great Britain or the United States, this is no mean achievement.

From among the 221 leather footwear manufacturers in Canada, 51 with heavy-boot production facilities have turned out eight million pairs for our 'world's best shod" fighting forces. Soon it will be 10 million pairs for war, for quartermasters' branches of the services have just thrown a monkey-wrench into the industry's reconversion machinery by bringing forward insistent new demands on top of heavy cutbacks some months ago.

Production Records Smashed

The growing Canadian family has been amply served throught this war and through 270 earlier years by an industry which today stands 34th on Canada's industrial list for value of output, 25th for amount paid in salaries and wages and 17th for number of employees.

No fewer than 124 million pairs of boots and shoes of all kinds have been produced since Germany marched on Poland, or about 10 pair for every Canadian. This represents a pretty rich supply for civilians in wartime, and exceeds by 34 million pair the total output of the preceding four years.

For the armed forces, whose eight million pair have been found by actual comparison to be at least the equal of any military boots in the world, the industry's production record has presented something else besides quantity and quality.

Designers of Canadian outdoor footwear are wearing new laurels for their resourcefulness in improving on boot styles developed for this war's fighting specialists, and even for developing purely Canadian military styles.

The paratrooper's shock-absorbing high boot, the commando's armored fighting boot, the mountain fighter's rock-gripper footwear, the electrically heated high-altitude mukluk—these are only the standouts in a long list of special footwear types which includes, besides, seaboots for the Atlantic and Mediterranean, frost-resisting boots for servicemen in frigid zones, a husky woman drivers' high boot and many others.

New Boots for New Industries

Canadian designers, even while they were adapting and inventing for war, and Canadian footwear producers, even while stretching machines and operators to the limit to meet military requirements, had the other eye and hand on the needs of industry.

Explosives, shipbuilding, metals and other industries new to Canada or greatly expanded in conversion for war, called for new kinds of boots for the home front and a vastly multiplied output of standard occupational footwear.

And the old but vital shoe industry delivered again; passed its second wartime test with flying colors.

For the mushroomed foundries and metal-working industries—aluminum, magnesium, steel—special boots for potmen, gaiters for molders, clogs for markers.

For the powder-keg front in the chemicals and explosives industry, a whole new range of metal-less non-conducting boots to reduce the insistent threat of static electric spark.

For the 255,000 women at work throughout war industry, new fashions for working women, stout footwear with low heels—some of them heavily contrived to withstand impact or abrasion, heat or chemical action—came off shoe production lines by the scores of thousands.

Tomorrow's Footwear Here?

This is an altogether impressive job of design and mass production for Canada's working foot and fighting foot. It means new skills for the outdoor footwear of tomorrow, a field in which Canadian producers earlier had earned wide repute and no little foreign custom.

Boots for the custodians of and searchers for northern riches, for millions seeking recreation in forest and stream after the restraints of war, for winter sports fans among tourists and home folks, these in all probability will have gained in fitness and appeal from wartime experience of the footwear industry.

And workers in the mills and factories and shops, having learned the versatility of the modern shoemaker, will never hesitate to take new demands shaped by ever-changing industrial techniques.

What About Materials?

Will we stick to leather as the shoemaker stuck to his last? How good for shoes are the modern synthetic materials, Buna-S "rubber," plastics?

Plastics, gaining entry by the back door of leather shortage, are in the shoe industry for keeps, some manufacturers think.

Leather and rubber for uppers are not threatened but the story is different for soles.

A vinly-resin-coated fabric of closely woven special cotton is called a distinct challenge to the long unquestioned place of the old materials. The plastics that have passed tests for soling will be even better when made of the prime materials now largely pre-empted for war but already in some tests, reports say, it has outworn leather at least three to one.

A Canadian-made product of this kind is even now being released to the shoe industry.

Ultimately with the use of plastics, shoes may be lighter and more flexible, besides being more resistant to wear and deterioration, so its exponents claim.

And as to "working" qualities, one industry spokesman has contrasted the best of the plastic soling with common materials by reference to its "known exact and specifiable thickness and density; with its uniform character throughout the piece—no cull—and cutting waste that is readily reclaimed" if not later to be dispensed with entirely by a development moulding soles to individual lasts.

Export Horizons

The shoe industry, already diligently researching in export possibilities, looks back to pre-war Empire markets widened by the trade agreements of the 'thirties; looks forward with hope to reclaiming much of this business despite the uncertainties of international agreements still in the lap of the war gods.

Shoes from Canada for Europe's freed multitudes are a big possibility and the eyes of the industry therefore are closely following UNRRA's preliminary moves.

Despite pre-occupation with resurgent military demands and with a continuously more insistent civilian backlog, the industry through its representative Shoe Manufacturers' Association, recently has established a new export research bureau.

Not forgotten for a moment is the fact that Canada shipped about 170,000 pair of boots and shoes to Jamaica alone in the single year 1939, after enjoying nicely balanced annual gains there from the level of about 9,000 pair in 1935.

Increases to other segments of the British West Indies made that region the star of the Empire Agreement piece so far as Canadian footwear was concerned, and involved some loss of market by the U. S., as well as concession by Britain.

It is well known that the industry is very easy to get into and does not require a great deal of capital because most of the machinery used is rented. The difficulty is to stay in. No less than 262 establishments went bankrupt, reorganized or discontinued business in the 14 years between 1930-43. Less than a dozen firms have remained in business 50 years or more. In the four most recent years covered by the statistics, 1939-42, some 59 factories failed, reorganized or discontinued operations.

Average annual sales per firm of slightly over 100 of the leading footwear manufacturers during three years 1937-39 were $260,000 with a net operating profit before deducting provision for taxes of only $5,976 or 2.3% of sales. Raw materials constitute 52c. of each dollar of sales, labor 26c. Selling and administrative expenses 11.1c., and factory expenses 8.7c.

Out of a total of 227 plants across Canada making footwear, 140 are located in Quebec, 69 in Ontario, five in the Maritimes and 13 in the West. Montreal alone has 63 of Quebec's 140, while Quebec City has 28. In Ontario, Toronto has 28 shoe plants, Kitchener 10 and other towns and villages 31.

Some shoe manufacturers are represented as feeling they have taken "a licking" under the subsidized price ceiling even though much of the punishment was considered inevitable and in the line of national duty.

Others take a more reserved view but it all boils down to the question of just how important and onerous the shoe industry's price ceiling contribution really has turned out to be.

This industry's profit margin and operating cost are said to be smaller than those of most industries of comparable size and character. It looks on the record as if this contention could be left standing.

Its cost increases in wartime have been relatively great; this claim too appears to be validated by a record of 15% gain in production costs between spring and fall of 1941 alone, and by evidence of more moderate but persistent increase since then.

As in most, if not all, cases of wartime subsidy under the price ceiling, the payment is a partial compensation for value received by the nation, rather than the gift of a paternal government.

The Canadian footwear industry, one of the first to become eligible for Government subsidy, is itself absorbing today 50% of the squeeze, according to the Shoe Manufacturers' Association.

In the first instance, subsidy brought the industry 7% compensation for a 15% overall rise in production cost between spring and fall of 1941. But this was reduced at mid-1942 to 4% when the Prices Board and industry inaugurated a far-reaching process simplification program.

Under this program, rigid conservation standards in due course brought in train an improved profit position for the industry and a second cut in the subsidy; brought these developments about, that is, by having eliminated costly frills and styles and thus reduced costs and processes, conserved materials, increased civilian shoe output and, by no means least, preserved 1941 quality along with the 1941 prices despite the labor and materials shortages of 1942-3 and the continued inflationary pressures that accompanied them.

In shoes as in other fields the retailers' position was off-balance with the choice of an autumn basis for Canada's 1941 prize freeze; orders are placed in spring for fall footwear and consumers' ceiling prices therefore were based on springtime costs.

Manufacturers' costs, as it happened, had risen sharply between spring and fall with corresponding increase said to have ranged from 10% to 20% in individual factories' prices.

Retail trade couldn't pay the shot and still maintain its ceilings so producers had to roll back its prices to March-May levels but they were permitted to add 4%, which was considered the proportion retail trade could bear.

Temporary Subsidy

For manufacturers, it is stated, the roll-back had meant reductions from 10% to 20% for individual firms, even though costs rose 15% between March-May and Sept.-Oct. 1941.

Government stepped in and declared that as a temporary expedient the 15% increase in costs was to a large extent a public responsibility; that the public purse would subsidize 7% of the cost increase, retail trade and the manufacturing group 4% each. This plan became effective Dec. 1, 1941.

But when in mid-1942 a standardization and simplification program was announced to effect production economies, the Government's share was cut from 7% down to 4% and that of the producers increased from 4% up to 7%.

Manufacturers contacted in preparing this outline stated that the subsidy was intended to maintain consumers' prices; that the manufacturers would not have required any assistance if it had been found possible to permit them to sell at prices established in the Sept.-Oct. base period.

How Shoe Costs Rose

Tanners felt promptly a decided easing in footwear sales which came with France's fall in spring of 1940 and leather prices declined slightly that summer and fall.

Since shoe manufacturers commonly place fall orders for spring materials, they found themselves in the spring of 1941 quoting the retail trade at prices based on the lower prices at which leather was contracted for during the previous fall. Leather prices that winter commenced to rise and gained momentum in spring and summer 1941. It is said that leather costs to shoe manufacturers in fall 1941 had increased on the average about 20% over spring.

Labor costs, manufacturers say, moved 10% higher in the same period.

Thus they arrive at their estimate of a 15% climb in the space of six months in cost of producing footwear.

Economies' End-Results

What has been accomplished by the summer 1942 economy program of the Prices Board and the shoe industry?

Simply by eliminating frills, halting new footwear styles and reducing the number of styles in production, it has cut costs and processes materially to conserve materials, increase the quantity of shoes on retailers' shelves, and to preserve the high quality of Canadian footwear sold today at Sept.-Oct. 1941 prices.

The economy program finally had one other result—it brought further revision of the squeeze-share arrangement. The production increase to which it so largely contributed, together with the savings due to conservation standards, enabled manufacturers in 1942-3 to maintain, and in some cases increase, profits after receipt of the Government subsidy.

The change that ensued is described by the Shoe Manufacturers' Association:

Subsidy Cut Again

"In accordance with its stated policy that no Industry receiving subsidy would be placed in a better position profitwise, the Government again reduced assistance to the manufacturers, permitting them to increase prices to the retail trade by a further 1% (but the retailer to maintain his price ceiling).

"Thus, at present, of the 15% increase in manufacturers' costs between spring and fall of 1941, the boot and shoe industry is bearing 8/15 or about 50%.

"What is each party contributing to the cost of maintaining the footwear price ceiling? Here is an illustration:

Manufacturers' selling price	$100.00
Manufacturers' cost	87.00
Increase cost 15%	13.05
Retail share, 5% of manufacturers' selling price	5.00
Tanner and Government share, 4% of leather costs	1.60
Manufacturers' share	6.45

The industry, they point out, due to its low profit margin, was earning extremely low profits during the standard profit years 1936-39 inclusive, with the result that its standard profits are abnormally low.

Manufacturers generally, it is said, consider that under the present arrangement they will be fortunate to earn standard profits.

Canada's marching feet are taking the last hard miles to victory. To speed them we have turned out in four years, eight million pairs of the world's best fighting boots.

Shoe Wages Bill Is Sharply Up

Relative Labor Peace in Trade Said Due to Old Guilds

Chief wartime labor problem in the footwear industry has been rising wage costs common to a majority of major manufactures.

Labor disputes have not been notable. There have been two shoe strikes since 1939 involving no large proportion of the 19,000 men and women in shoe plants and offices. They have been settled amicably without lengthy shutdown.

But the wage trend has followed the hitherto rising cost of living and some spokesmen put the industry's wartime wage gain over 20%. That figure appears conservative against DBS compilations of reporting firms. These, abstracted below, show that, with an 11% gain in number of workers over 1939, the industry in 1942 was paying a total salary and wage bill 47% higher:

RISE IN WARTIME SHOE PAY

Year	— Employees — No. 000	Salaries and wages $ millions
1939	16.9	13.4
1940	17.1	13.9
1941	18.8	17.6
1942	19.1	19.8

Accord in the ranks of shoe labor is cited by manufacturers as among major factors in the recent record production for military needs and the civilian front.

But if peace reigned, the industry had its full share of the other kind of labor difficulty—shortage. The 1939-42 gain of 11% in number of employees was far from enough to meet the industry's wartime burdens, especially since training and personnel shifts involved in replacing transferred workers represented substantial production loss.

Canada's Army boots take drastic punishment on manoeuvres and in action and, though they have been pronounced at least the equal of those made elsewhere, have to be resoled every five or six months of hard wear. But repairs seldom are needed on uppers. Here are casualties at an army repair shop.

Labor Turnover

While shoe factories have not felt NSS compulsory transfer orders as much as many less essential industries, a heavy loss of skilled workers developed in the early years of the war, when movement to the armed forces and direct war industry was at its height.

There are as yet no satisfactory figures on the weight of this temporary loss. When the Shoe Manufacturers' Association of Canada sent out a questionnaire to 221 operators recently, only 54 replied promptly and 167 replies were outstanding at this writing. Nor did those replying include figures on movement to munitions industries. Replies did reveal, however, that 1,245 skilled workers from the 54 plants had joined the armed forces; indicated a very substantial total movement from the industry as a whole in four years of war.

To obtain and train replacements has been an ardous and hampering task in an industry straining to meet production quotas. Its accomplishment means that after demobilization skilled shoe workers will be more numerous, for it is said to be one industry to which the lost, strayed or stolen sooner or later return.

The industry sees no difficulty in re-absorbing shoe workers now in the armed services and war plants and therefore is not making any particular plans in this regard.

Labor stability in the shoe industry is supported by firmly established bargaining agreements and single-industry codes. This stems largely from decades of settled and intimate employee-management relations, with working forces and proprietors sharing a guild and craft fellowship that has survived mechanization of the industry.

War has brought to the Canadian shoe industry's wage bill at least a 20% increase which, together with costs and confusions of labor transfer, have been considerable burdens.

But all-time production records have been shattered and management credits to the energy and efficiency of Canadian shoe workers a major part of the credit.

Most of the footwear industry's current labor-management relations measures—private as well as legislative—had their inception in the 'thirties.

In Quebec there is in effect for the entire industry an agreement decreed in 1936 under the Collective Labor Agreements Extension Act, 1935.

In Ontario several of the leading manufacturers govern their labor relations under individual codes jointly framed with the employees.

Quebec's collective labor-management arrangement has proved to be a distinctly effective stabilizer. The Quebec decree was passed in 1936, sets definite wage rates for three zones, places administration in the hands of a joint committee of the shoe industry composed equally of nominees of employers and employees. The committee, employing regularly a large staff of experienced shoe men and with head office in Montreal, is in complete charge of policing under the measure.

Zoning allows for area variations in economic conditions to enable equalization of wages; zone 1 is the Montreal district, 2 the immediate Quebec City region, and 3 the "rural" balance of the province.

The decree for the footwear industry embodies an agreement reached by a majority of employers and employees which makes standard and compulsory upon all, whether parties to it or not, the agreed-on-wages, terms of employment and conditions of labor.

Infractions, grievances of or complaints against employees are brought before the joint committee which meets regularly in judgment on such intimate matters as well as to consider larger developments and proposals.

Every plant without exception submits monthly to this body a full copy of its plant payroll.

Scott & McHale Plan

Among the codes framed on the needs of individual shoe manufacturing establishments, that of Scott & McHale Ltd. at London, is often cited as representative.

Based on an idea introduced in 1933 by H. L. Nunn in the Milwaukee plant of Nunn-Bush Shoe Co., the Scott & McHale management-labor relations plan was introduced in 1937, and has been developed despite exigencies of war.

President John J. McHale has enunciated the plan's main objectives, which in general have been attained:

1. To place fair-minded labor on a plane of dignity, responsibility and partnership in industry;
2. To give operators security in income and working conditions in order to promote their happiness and efficiency;
3. To enable intimate and friendly contact with the workers, established on a basis of mutual confidence and respect, which is the only road away from profitless strife, friction and dissension;
4. To enable management to place in the hands of its dealers and their customers a demonstration that the workers behind the product are well paid, fairly treated and content.

Wage Bonus Feature

Mr. McHale outlines the Scott & McHale plan thus:

"First step was to set aside 22.2% of every dollar's worth of sales, which percentage we considered as representing our operators' just share of receipts for shoes shipped. The year 1937 was agreed on as satisfactory for this purpose, best year of earnings that our employees had enjoyed since 1929.

"The amount, which this percentage of sales represented, was then credited to a Labor Reserve Account and the management of the fund placed exclusively in the hands of an administrative committee elected by and from the ranks of the workers themselves, and responsible only to the workers.

"For administration of the Labor Reserve Account, employees are divided into groups A, B and C. Into the first go the older employees in point of service—at Scott & McHale 85% are in this category. Such employees cannot be laid off while any other group A employees are working; they are also entitled to participate in any accrued earnings that remain in the Labor Reserve Account for season-end distribution. The latter point is explained later.

"Class B employees enjoy the same privileges except that in slack times they can be laid off if necessary. Class C represents only the newest employees brought in and paid on an hourly rate who must go through probation in order that the administrative committee and the workers as a whole may have opportunity to decide whether they are up to the standard required.

Payments Made Weekly

"A and B workers then are given a 'basic rate' or 'drawing account'—such accounts computed on a yearly basis according to the earning power as demonstrated by the individual operator's 1937 earnings, and adjustments made for subsequent changes in work. This amount is paid to each A and B worker in 52 weekly installments throughout the year. The administrative committee adjusts these amounts as operators improve or are promoted to better pay.

"We have voluntarily reduced our work week to 45 hours or five days from 49½ hours or 5½ days. Each A and B operator gets two weeks' holidays a year, one at Dominion Day, the other at Christmas, receiving pay in full for these as well as for all legal holidays and time lost through no fault of their own.

"Total of such drawing accounts is charged each week against the Labor Reserve Account which in turn is credited with 22.2% of the list price of all shoes packed. If at season-end there is a balance, this is distributed pro rata or in any other way the committee decides. If, on the other hand, business falls off enough to endanger drawing accounts of group A workers, the drawing accounts of all are reduced to bring drawings within amounts actually being earned, i.e. within the 22.2% annual level. The accounts are audited, audit reports open for inspection.

"Here, in effect, are increased dividends for labor in good years, retrenchment in bad, but at all times security. And our plan only begins with the 52 pay-cheques per year.

Worker's Other Gains

"The plan relieves the worker of anxiety found where jobs depend on the judgment of the boss only. We have voluntarily relinquished the right of arbitrary discharge and no executive has authority to dismiss or lay off without approval of the workers' administrative committee. It is to this body that the management must look for redress where an employee fails to conform to rules or standards; the committee has proved not disposed to tolerate drones or unruliness, apparently realizing that in responsible exercise of its power lies the guarantee of continuation.

"The plan offers besides opportunity for advancement even at the cost of interference with production. Every worker has the right to apply to the committee for a key position open in any department and may, after years of valued work in one department, have learned a new operation and progressed into another with substantial gain in pay.

An Obligation to the Armed Forces

WHEN Greb & Valentine were asked to assist in the production of footwear for the boys who are fighting our battle — we decided that the best we could produce in quality, comfort and workmanship would be our objective.

Since then we have made scores of thousands of pairs of shoes for the Armed Forces. Into *every pair* we put the best in material and skill we could muster. An army may march on its stomach, but as realists we know they also march on their feet.

Both of our companies, the Greb Shoe Company, Limited and Valentine and Martin Limited are manufacturers of men's and boys' staple footwear in the Goodyear Welt, Standard Screw and Stitchdown process, and have been established since 1910 and 1904 respectively.

GREB SHOE CO. LIMITED
VALENTINE & MARTIN LTD.
Kitchener, Ontario

The HARTT Shoe FOR MEN

None Finer

For 46 years Hartt has concentrated on one ideal — the production of High Quality Shoes for Men. Today, as always, The Hartt Shoe assures the utmost in shoe appearance, comfort, value and wear.

The Hartt Boot & Shoe Co. Limited, Fredericton, N.B.

Sales Office: University Tower Bldg., Montreal, P.Q.

Since — 1898.

Leaders for Fifty Years

Aird & Son Limited

MONTREAL — CANADA

MAKERS OF GOOD SHOES FOR WOMEN

President
WILFRID GAGNON

Vice-president
G. G. HODGES

Subsidiaries
NARWIL SHOE CO. LTD. SOLPA, LTD. WILMONT SHOE CO. LTD.

Leather a Food By-product

Canada Imports 25% of Necessary Hide Supply

Peculiar position of the shoe industry with regard to its chief raw material—leather from cattle hides — is seldom remarked in other fields.

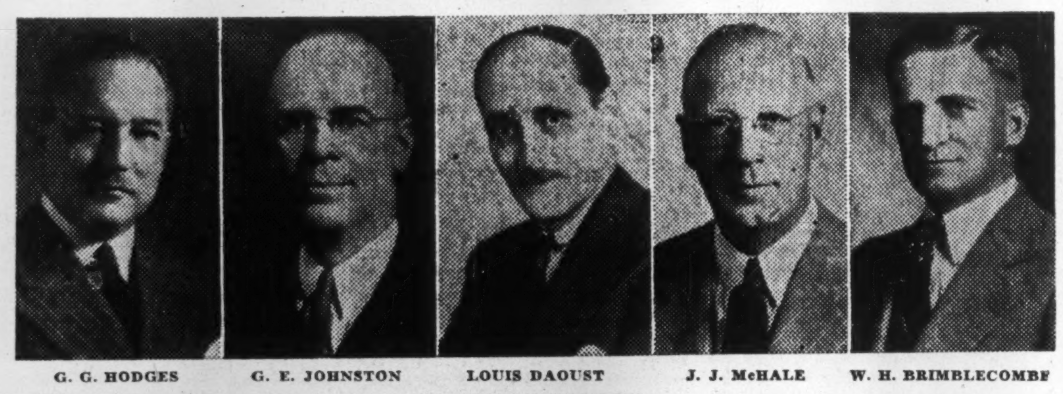
Hides being a by-product of the meat packing industry, the shoe business is to a considerable extent dependent on world food demand, particularly as regards supply of domestic hides, and therefore is not in the direct supply-control position of most other major industries.

In wartime, with its record demand for meat both at home and abroad, and the accompanying increase in slaughtering throughout the Americas, a glut of hides might have been expected. But, so far as Canadian tanners and shoe manufacturers are concerned, this has been far from the case. World consumption of hides for leather, accompanied by wartime dislocations in shipping and in the South American hide market actually has stretched hide supplies very fine indeed.

Added to this has been a developing uncertainty in the uniformity and quality of imports.

Source of Canada's Cattle Hides
(in thousands of hides)

	Foreign	Domestic	Total	Foreign % of total
Average of				
1921-25 ..	642	759	1,402	46
1926-30 ..	768	752	1,520	51
1931-35 ..	393	961	1,354	29
1936	528	1,207	1,736	30
1937	592	1,193	1,785	33
1938	350	1,110	1,460	24
1939	705	1,281	1,985	36
1940	737	1,109	1,846	40
1941	677	1,432	2,108	32
1942	584	1,730	2,338	26



G. G. HODGES — G. E. JOHNSTON — LOUIS DAOUST — J. J. McHALE — W. H. BRIMBLECOMBE

L. M. SAVAGE — G. F. BRAY — FRANK MILLINGTON

Here (upper row) are WPTB's key men for footwear. Prominent shoe manufacturers, they are: Mr. Daoust, footwear administrator; Mr. Hodges, his deputy; Mr. Johnston, footwear director, retail and wholesale division; Messrs. McHale and Brimblecombe, special adviser and director, respectively. Leading association men (lower) are: Mr. Savage, president-elect, Shoe Manufacturers Association of Canada; Mr. Bray, president, National Shoe Retailers Association; Mr. Millington, SMAC manager and treasurer.

—Photo Mr. Hodges by Blank & Stoller.

At the year end U. S. tanners were predicting a moderate but important improvement in the leather situation there as early as spring, 1944. In the fall they had been continuing to operate at reduced levels due to scarcity of raw stock. Federal-inspected cattle slaughterings were higher, but supply of hides available to tanneries was still acutely low. Hide stocks, ample in U. S. at the beginning of 1942, were reduced about 50% during that year and 1943 supplies represented minimum working stocks.

While recent informal summary issued on behalf of the Canadian hide and leather industry failed to draw a parallel with the immediate U. S. situation, it did reveal the interdependence of the United Nations as regards available hide stocks. It said:

"We import about 25% of the hides we use in Canada, and to that extent usage here through 1942 and 1943 has been governed by Canada's participation in the world supply as arranged through a rather loosely knit control, operating in Washington, which also governed the price at which hides were bought.

Domestic Supply Fluctuates

"Hides being a by-product, the supply available is dependent on the market for and storage of beef, over which we have no control.

"The domestic supply of hides, about 75% of Canada's total requirements, fluctuates considerably.

"In 1942 we reached the highest point of hide usage in the history of the industry, but reduced about 10% in 1943. Manufacture of footwear reached an all-time high in 1943 and has fairly well met requirements, except possibly in juvenile footwear, in which line we have had to replace a large quantity of rubber footwear formerly used.

"Commencing Jan. 1 last we now participate in the world hide supply on a fixed percentage basis, this proportion worked out by a hide control office in Washington, of which we are a member.

Prospects for 1944

"There have been some disturbing influences in the foreign market in the past year which we now hope have been fairly well brought under control.

"The domestic production is not encouraging at the moment but there are some brighter features in regard to the whole world situation and, while there may be some contraction in our output in 1944, we hope to avoid any serious shortages.

"The uses of leather have been restricted by order of the WPTB Hide and Leather Administration and the indications are that these controls will continue, at least through 1944."

No evaluation of raw material prospects for the shoe and leather industries can ignore possibility of the European war being over this year. Sooner or later—preferably sooner, for the sake of sound planning—these industries will have to consider what reaction end of hostilities may bring, first with regard to military requirements, and second, the world demand for hides, skins and shoes.

A recent address to the Tanners' Council of America appraised foreign hide and leather prospects from the U. S. point of view; approached in spots the sometimes parallel interests of Canadian manufacturers. Here are its highlights:

Amputation of Europe

Dominant influence in world hide and skin markets in wartime has been withdrawal of continental Europe with its 250 million people from world trade. This military and economic amputation created potential surpluses in various raw materials, and millions of hides and skins which had previously been absorbed by Europe were available to the U. S., Great Britain and the several other nations still in the stream of world commerce.

Imports and production in 1941 and 1942 surprised U. S. sceptics.

Until the spring of 1943 chief problem was not so much the supply at source as it was transportation—lack of shipping was the bottleneck hindering free movement of foreign hides.

At the year end the situation was reversed. Shipping was available for almost a year and a half, but supply at source had become far from satisfactory.

Surpluses Shrink

There appears to be a tendency in most raw material producing areas of the world to hold, accumulate or process a greater proportion of their hide and skin output. Exportable surpluses are shrinking not only by virtue of United Nations demands, but also through the enhanced relative and actual value which hides and skins seem to have assumed.

In some of the producing and exporting countries there is evidence of a disposition to anticipate the end of the war in Europe and with it the release of pent-up demand for one of the prime necessities of civilized existence, that is, leather and shoes and other leather goods.

MADE TO FIT THE SHAPELY FEET OF CANADA'S *CWAC'S, AIRWOMEN* AND *WRENS...*

THOUSANDS of young Canadian girls are enlisting in the active services today, who could never have enlisted at all if they had not known that their feet would be measured and special shoes ordered and made to fit to perfection.

• • •

Individual requirements like special narrow fittings, special lasts, special heel widths, are taken care of to order. That means the girl with the hard-to-fit foot can still serve her country. Her service will order her shoes for her.

• • •

In addition to thousands of pairs of regular service shoes, many of these special order shoes for the three women's active services are being made by Blachford's. We are proud to provide Canadian girls with well-fitting shoes to give them support and comfort while they work for Victory,

BLACHFORD SHOE MANUFACTURING COMPANY LIMITED
TORONTO ONTARIO

UNITED SHOE MACHINERY COMPANY

OF CANADA LIMITED

QUALITY - SERVICE

1900 - - - 1944

THE war has moved into its victorious stages. Canada's fighting men are now proving in action the efficiency of their training and equipment. Canada's army is among the best equipped in the world — from mighty tanks down to the last shoelace.

The T. Sisman Shoe Co. Limited is proud that it has been able to devote its material, facilities and skilled craftsmanship to helping equip the Canadian soldier, sailor and airman with the finest quality footwear.

It looks forward to the day when it will be able to again serve its customers with a greater supply of Sisman Shoes for the domestic market.

SISMAN'S SHOES

The T. SISMAN SHOE CO. LIMITED
AURORA, CANADA
Manufacturers of
High Grade Work Shoes and the Famous Sisman Scampers

Tomorrow's Footwear Here?

Women, New Industries, Shape Novel Protective Boots

Vigor and resourcefulness of Canada's shoe industry have been twice tested in this war, twice demonstrated.

Even while the nation's footwear manufacturers were straining capacity to fill large orders for special and standard military boots, they were called upon also to meet the pyramiding demands of burgeoning industry.

Heavy manufactures multiplied from month to month after 1939, processes new to Canada were installed in new factories all across the country, and there began a historic expansion of the women's industrial army.

The New Working Foot

Shoe designers, concerned in normal times largely with the creation of eye-appeal in fashionable footwear, found themselves discovering new worlds in an ancient industry, new aids to the working foot and the fighting foot. These unsung technicians burned the midnight oil over complex problems of structure, mechanics and the properties of materials that had been more or less taken for granted for centuries.

Again and again they came up with something new and better, frequently with the co-operation of a Government department or of industrial process management. Every time this happened a sizeable additional task was tossed onto the load being borne only

Physically perfect and picked for courage, Canada's paratroopers from Shilo, Man., are fighting behind the enemy in Italy. This one, seen in a training jump, will land easier in his shock-absorbing boot.

with difficulty by the manufacturers' forces and equipment.

While demand was skyrocketing for standardized styles, the industry made shift to turn out every last requirement of special services in industry as well as the military establishment.

For the mushroomed foundries and metalworking industries—aluminum, magnesium, steel—shoe experts designed and mass-produced special boots for potmen, gaiters for moulders, clogs for markers.

For the Powder Keg Front

As a home front counterpart of the parachutist's shock-absorbing boot, and the commando's armored boot, the chemicals and explosives industry was given a whole range of metalless, non-conducting footwear to lessen threat of static electric spark. These, a large proportion of them for women, were fashioned with sewn soles and with heels wood-pegged instead of nailed.

There is a whole new range of functional footwear for heavy industry generally, and for women newly engaged in it. Shipbuilding is notable among Canada's wartime industries making special demands on shoe design and output.

With 255,000 women at work in war industry last year the job of keeping track of, and pace with, their needs alone, had assumed very large proportions.

Some of the protective boots are cunningly contrived to withstand impact, abrasion, chemical action and heat, but without marked increase in weight or loss of comfort

Second stiff wartime test for Canada's shoe industry — the first and biggest has been in the extraordinary demands of the armed forces — also has been passed with flying colors.

It called for creation of new kinds of boots for workers in the explosives, shipbuilding, metals and other industries new to Canada or greatly expanded in wartime. At the same time it required a multiplied output of standard occupational footwear.

—essential to efficiency. Others have been heavily built up to provide such protection.

It would require very extensive writing to list here the hundred and one separate qualities and shades of difference among occupational boots widely used in war industry, variations in last, in reinforcement, in height, weight, sole and heel thickness and materials, but samples shown The Financial Post were of wide variety and self-evident functional suitability.

An interesting sidelight on the versatility of the industry is afforded by the rubber shortage. Special boots for bushmen and fishermen were designed for manufacture by adapting an old waterproof-leather process, and these are reported to have gained wide and immediate use.

The underground miner's steel-capped boot still is made as it has been in years past, but wartime has brought its adoption by other branches of industry and therefore a substantial expansion of production.

New designs for the industrial front tell only the most colorful part of the story of the Canadian shoe industry's contribution to the nation's wartime efficiency at home.

Demands of the civilian services outside of industry have been heavy but the shoe men have maintained output and distribution of standard occupational footwear despite the weight and frequency of special demands by industry and the armed forces.

It may be forgotten sometimes in how many fields occupational footwear is considered essential personal equipment and in how many others it becomes an actual tool of the trade.

Firemen, for example, and policemen, postmen and nurses, go on duty in footgear variously styled to the special requirements of these callings.

River drivers, camp workers, prospectors, all are fastidious about what they put on their hardy feet, whether this be heavy boots for rocky country, or larrigans, shoepacks and oil-tan moccasins for winter or canoe use.

Shoes for the Multitude

In addition, the industry has contrived to meet a surprising portion of the demand in the war-expanded popular market—sports boots, shoes for the baby, dress and ordinary footwear for men, women and school children.

Leather, manpower and machine capacity have been short and shortages on shoe store shelves have been inevitable, but essential civilian demand clearly has been met, running the whole range from felt boots, shoes and slippers, to the specials required for skating and hockey, skiing, bowling, boxing, hunting, golf, football, soccer, etc., and from the dainty spike-heeled, open toe for milady's evening relaxation, to bead-worked Indian specialties and rest slippers of all kinds.

It is difficult to choose between the worth of these two home front performances—on the one hand colorful innovations and impressive mass production for industry; on the other, maintenance to a high degree of stocks available for standard civilian need.

Whatever the verdict on that question, it is apparent that an old and honored craft is not necessarily a decadent or spiritless one, and that the Canadian shoe industry has made not one but several important contributions to Canada's share in the victory to come.

Curbs Irk Few Boon To Trade

Canadian Women Taking Footwear Style Famine in Wartime Stride

Co-operative limitation of shoe styles by WPTB and the industry has had a favorable reception by the public and retail trade, in addition to its having simplified manufacturing procedure and to some extent reduced costs.

In many cases women who had been accustomed to choosing from six models before buying, now are content—as they must be, at least for the duration—to see half that number. The storeman's task of "fitting the mind" as well as the foot thus has been considerably reduced.

From the retailer's point of view, simplification of styles has allowed substantial reduction of inventory and a correspondingly lowered trading risk, apart from its having enabled more rapid handling of the individual customer.

Despite narrow range—or perhaps because of it—women are said by the retailers to be more style-conscious than ever. The use of utility shoes in wartime occupations makes the getting back to really feminine types of footwear for off-duty hours a new thrill for many women.

Savage Improves Ont. Shoe Plant

At Preston, Ontario, the Savage Shoe Co., is at present building a small addition to its plant and installing an Otis-Fensom freight elevator. By erecting a single wall of structural clay tile and brick, together with the necessary floor and roof construction, an alcove of waste space is being reclaimed and put to productive use.

Manufacturers of Fine Footwear

GEORGE G. HODGES, LIMITED

MONTREAL CANADA

"Golden Pheasant" "Bryn Mawr" "Charmant"

and other noted private brands

Associated with Palter de Liso Inc., New York City

WELL EQUIPPED BECAUSE WELL SHOD

During the last 75 years, the Slater Shoe Company has gained a solid and legitimate reputation for the manufacturing of finest quality shoes.

Due to its excellent organization and well chosen workmen, the Slater Shoe Company was able to proceed quickly with the fulfilling of wartime contracts allotted to the company.

The skill achieved from long experience naturally equipped the Slater Shoe Company for the manufacturing of Aviator's shoe. The firm has given this great care and feels proud in having thus contributed to the Country's war effort. It is also confident that, on the other hand, such results will maintain its well-established reputation.

The Slater Shoe Company rejoices at seeing Airmen wear its comfortable and elegant shoe. By their valour, Canadian airmen seem to justify the already known fact that an airman can be efficient only . . . when well shod.

SLATER

FOR MEN AND WOMEN

THE Dr. M. W. Locke SHOE
DESIGNED AND APPROVED BY
DR. M. W. LOCKE
WILLIAMSBURG, ONT. CANADA

The Foot Saver Shoe
Controls the Arch

ANSLEY WELTS

Perth Del-Macs

Tango FLEXIBLE INSTEP Pump TRADE MARK

CANTILEVER MADE IN CANADA

—PERTH PRODUCTS

Each outstanding in their respective fields — strongly established in the favour of Canadian women — whom Perth have serviced in fine footwear for over thirty years.

DELMAC AND GOODYEAR WELT PROCESS

Buy Victory Bonds

Perth Shoe Company Ltd.
Perth, Ontario

Canada's Boots For Blitzkrieg

Eight Million Pairs, Dozen Types, Record War Output

A big squadron of heavy transport planes nears an enemy position in the pre-dawn gloom.

Within each ship, parachute harness is given final, fastidious adjustment by 20 pairs of deliberately steadied hands. Warning commands have been heard by interphone. The men are ready, tense.

Now!

Sidehatches are flung open to the stinging slipstream . . . clipped commands: "No. 1 . . . alert . . . over! No. 2 . . ." From dozens of the big transports plummet black dots in line, evenly spaced like knots on a cord. Score upon score of parachutes bloom suddenly like white flowers, beautiful and poisonous. Each holds suspended a picked man, packing deadly fire power and the will and skill to use it.

Equipment Counts Here

As they slip down and in, to land behind the now alert and shifting enemy, they are steeled for ordeals beside which the plunge has been a picnic—they must land hard but come up fighting against any odds of terrain and enemy fire.

At last after gruelling months at Benning, Shilo and British bases, our keen young parachute troops have been flung into telling action among modern war's newest, most colorful fighters.

They exemplify the fitness and daring of Canada at war, of all her fighting sons and daughters, from commandos to Florence Nightingales, from flyers to seamen gunners, from the slugging infantry to the hard-bitten tankmen who freeze, when not sweating, as they ride the confined thunder of engines and guns.

There is virile courage here and the skill of aptitude and arduous training. But there are here represented other equally exacting requirements of war: the logistics of right food, gasoline and ammunition, laid down when, where and in the quantity needed; not alone ships, tanks, planes and guns, but also highly developed small arms, other personal gear and equipment.

And boots, slick and strong inside and out, boots of many kinds and by the million, are fundamental; have assumed new color and importance in this war of specialized forces on all-weather fronts.

The boots—some of them highly original types — in which Canadians at this hour are forging through rocky central Italy, blasting Germany from the sky, holding the Atlantic, gaining beachheads or moving out from Britain for the assaults which are to gain the victory, have been entirely made in Canada. Many new kinds have been designed by large and progressive Canadian shoe manufacturing firms.

"The Canadian Army is the best shod in the world."

So said Lt.-Gen. A. G. L. McNaughton not long before he retired a month ago as Commander in Chief of the 1st Canadian Army overseas. Praise has been general through the ranks of all three services for the quality of the boots in which Canadian paratroopers, commandos and regular forces on land, sea and in the air are now moving in for the kill.

Fifteen per cent of all Canadian footwear manufacturers have been devoting 75% of their output and the best of their creative skill to the mass and special needs of the armed services.

In the matter of design alone the military committee of the Shoe Manufacturers' Association of Canada has played a strong hand to the advantage of fighting efficiency and for the benefit of National Defense, Munitions & Supply and other departments at Ottawa. Canadian manufacturers were renowned for skill at making stout footwear for outdoors and industry and they brought their skill open-handedly to the war-planning conferences.

Design recommendations of the manufacturers are embodied today in footwear fashioned for war. And they cannot fail to influence tomorrow's footwear for wilderness pioneers, sportsmen and industrial specialists.

As measured by quantity, variety and skill, Canada's impressive wartime footwear output is a promising sign of vigor in a venerable industry.

Battle-shaped Styles

What are these new Canadian footwear fashions for war?

You can't go by army terminology.

"Boots leather high" is headquarters English for Canada's 15-inch brown calf parachute boot with special shock absorbing sole and heel.

"Boots militia high" means 12-inch boots for commandos, a buckle strap affair with bellows tongue, heavy clump sole billed or studded with nails, steel heel-and-toe plates.

"Boots flying special" stands for mukluks for high altitude bombers and fighters. Long and bulky over regular boots, they are of brown retan leather with rubber vamp and sole, wool shearing lining, zipper fastening.

"Boots ankle felt" is a term holding secrets that may not be told in wartime, the story of garrisons in frigid regions that for the moment must be here represented by a felt boot with brown retan vamp, felt sock lining, felt middle sole, full rubber sole and heel.

The list is long, official names even more drab as the purposes increase in color.

New Modes for Women

Each woman in the WRCNS, CWAC and RCAF women's division is issued two pairs of sturdy calf oxfords, plus such specials as cloth overshoes, rubbers and physical training shoes. There is a special boot for women drivers.

For women—and for men—in munitions plants and other home war services, the Canadian shoe manufacturing industry is mass-producing other special footwear, much of it to entirely new designs.

But military footwear, the common army boot by the million, alongside its colorful counterpart for the special services, has occupied the centre of the shoe production stage. It has taxed to the full much of Canada's capacity in the Goodyear Welt, Littleway, Stitchdown and Loose-nailed processes, by which military footwear chiefly is made.

Take a prime Canadian hide, bred for war, and tan it to exacting standards. Cut from it a pair of heavy boots in the best that it affords of sole and upper leather. Add Grade-A supplementary materials. Fashion and join the parts stoutly, with quick hands and speed-up machinery but nevertheless with scrupulous care. That is one pair of army boots, the common kind that makes up the bulk of Canadian production.

But first, multiply the process by millions; Canada's fighting forces demand the most of the best in the shortest possible time. It isn't this one pair of fine boots that is awaited, but a million, and more millions for replacement. Nor is it just a mountain of standard army boots, uniform except for size variation, but also smaller mountains devised expressly for the special task forces.

That is the impressive job done, and on a modest profit margin, by 51 of Canada's leading shoe manufacturers. It reveals with what alacrity and resources the industry responded to the call late in 1939. Last year boot and shoe manufacturers (the 51, who are mentioned by name at the conclusion of this report) were turning out about 85,000 pairs of military boots every week; recently they had brought their wartime total to nearly 8 million pairs.

Tall Order for Tanners

No less than 10 pounds of leather are consumed in starting each common soldier off with two pairs of ankle height boots, one pair of walking out shoes and other items requiring leather. This makes no allowance for replacements as he wears out or damages his leather equipment; it is only enough to supply one soldier with his original issue.

What makes this amount of leather even more important, in terms of Canada's total production of tanned hides is the fact that the military authorities accept only the best grades, especially in sole leather. This means that only the choicer portions of the hides can be used. But it also means that fighting efficiency gains and soldiers' feet suffer less.

The Army estimates that from one hide, by its own exacting standards, it can get four boots—just enough for one soldier's initial issue. But there are replacements to consider, and here the estimates must provide for a wide range of contingencies, especially in action.

Army Salutes Industry

Shoe manufacturers—forgivably—are proud at praise freely given in all ranks of the three services, and by the Government's procurement officers as well.

They are pleased rather than surprised at the statement credited to Lt.-Gen. A. G. L. McNaughton, until a month ago Commander-in-Chief of the 1st Canadian Army overseas. Said General McNaughton, not long ago: "The Canadian Army is the best shod in the world."

"The tanning and shoe manufacturing industries have done a wonderful piece of work," Master-General of Ordnance Maj.-Gen. J. V. Young stated recently in a letter to WPTB Footwear Administrator Louis Daoust.

Civilians on Short End

General Young hardly overstated the case. Faced in 1940 with what was undoubtedly the greatest collective task they had ever undertaken, Canadian manufacturers who had embarked on military production literally revolutionized their factories and their civilian orders were reduced to 25% of output.

The Munitions & Supply department, on behalf of the three armed services, had demanded 75% of their total shoe production for war. Plants affected represented perhaps 15% of the number of Canadian footwear manufacturing plants.

Now, after a dramatic race with enlistments and shipments abroad, some respite—and a partial reconversion—has been won. Army estimates had ruled that a soldier's boots would need replacement every four months, but those being supplied actually were lasting over 10 months on the average. For every mile a pair of army boots had marched before, the new ones were marching 2½ miles.

High quality and big stockpiles in military footwear are beginning to bring nearer the hour when top quality shoes no longer will be marked "for the armed forces only."

Makers by Appointment

Here, by name, are the manufacturers elected to bear the burden of supplying His Majesty's Canadian forces, as listed by the Shoe Manufacturers Association:

MARITIMES:

THE HARTT BOOT & SHOE CO., Fredericton; THE JOHN PALMER CO., and PALMER-McLELLAN SHOEPACK CO., Fredericton; A. E. WRY-STANDARD LTD., Amherst, N.S.

MONTREAL:

AIRD & SON LTD.; CORBEIL LTD.; DAOUST, LALONDE & CO.; DOMINION RUBBER CO., footwear division; DOMINION SHOE CO.; THE EAGLE SHOE CO.; GEORGE G. HODGES LTD.; MACFARLANE-LEFAIVRE LTD.; McDONALD SHOE CO.; PARISMAID FOOTWEAR CO.; PETER'S SHOE MANUFACTURING CO.; THE SLATER SHOE CO.; TARSAL-EASE SHOE CO.; TETRAULT SHOE LTD.

QUEBEC CITY:

CHILDREN'S SHOE MANUFACTURING CO.; LUDGER DUCHAINE INC.; FRONTENAC SHOE LTD.; GALE BROTHERS LTD.; LACHANCE & TANGUAY REG'D.; A. E. MAROIS LTD.; QUEBEC STITCHDOWN SHOE; THE JOHN RITCHIE CO.; J. E. SAMSON INC.

QUEBEC PROVINCE:

ACTON SHOE CO., Acton Vale; G. A. BOULET LTD., St. Tite; J. A. & M. COTE LTD., St. Hyacinthe; EUDORE FOURNIER & SONS, Plessisville; LAFAYETTE SHOE MANUFACTURING CO., Contrecoeur; THE TEBBUTT SHOE & LEATHER CO., Three Rivers.

TORONTO AND VICINITY:

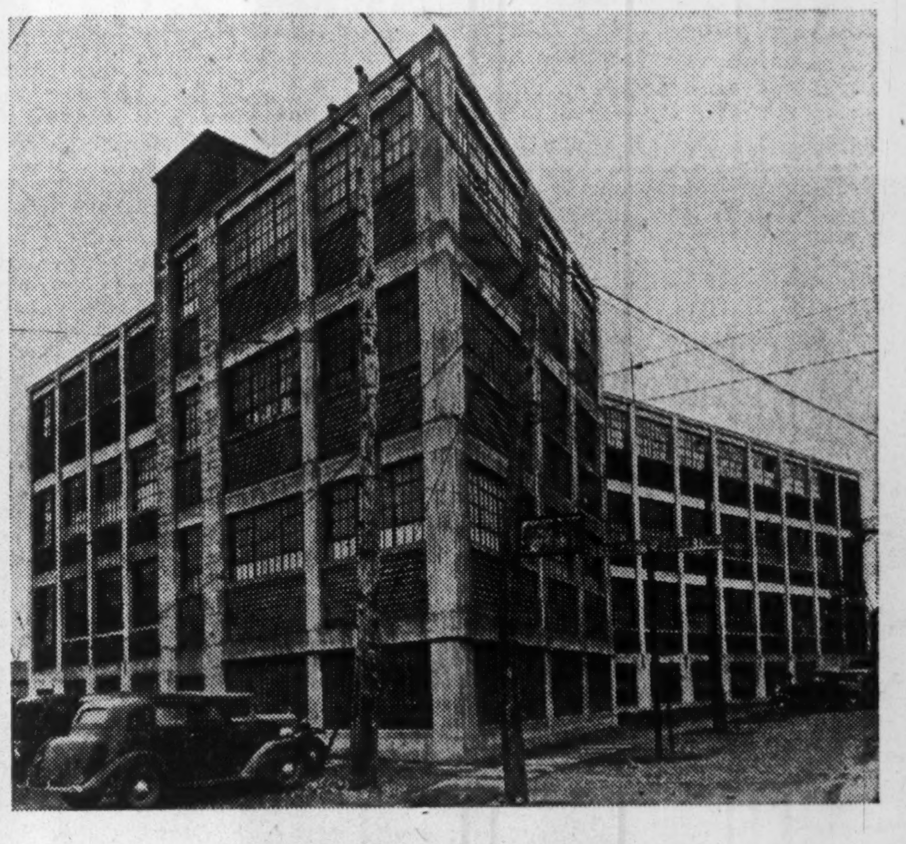
BLACHFORD SHOE MANUFACTURING CO.; CENTRAL SLIPPER CO.; GUTTA PERCHA & RUBBER LTD., footwear division; HEWETSON SHOES LTD., Brampton; THE T. SISMAN SHOE CO., Aurora; TORONTO SLIPPER MANUFACTURING CO.; UNDERHILL'S LTD., Barrie; WILLIAMS SHOE LTD., Brampton.

ONTARIO:

THE GREAT WEST FELT CO., Elmira; GREB SHOE CO., Kitchener; VALENTINE & MARTIN LTD., Kitchener; HUMBERSTONE SHOE CO., Humberstone; PERTH SHOE CO., Perth; MURRAY-SELBY SHOES LTD., London; SCOTT & McHALE LTD., London; SCOTT SHOE CO., Galt.

WESTERN CANADA:

CANADA WEST SHOE MANUFACTURING CO., Winnipeg; J. LECKIE CO., Vancouver.

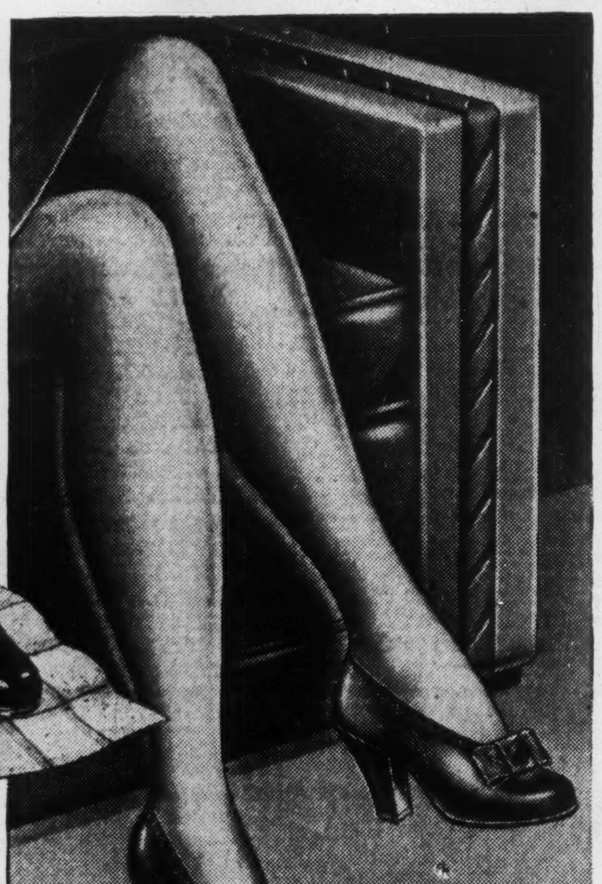


THE HUMBERSTONE SHOE CO.
LTD.
HUMBERSTONE
ONT.

Manufacturing a complete line of shoes for the entire family, since 1905

MURRAY-SELBY

Foot notes for 1944



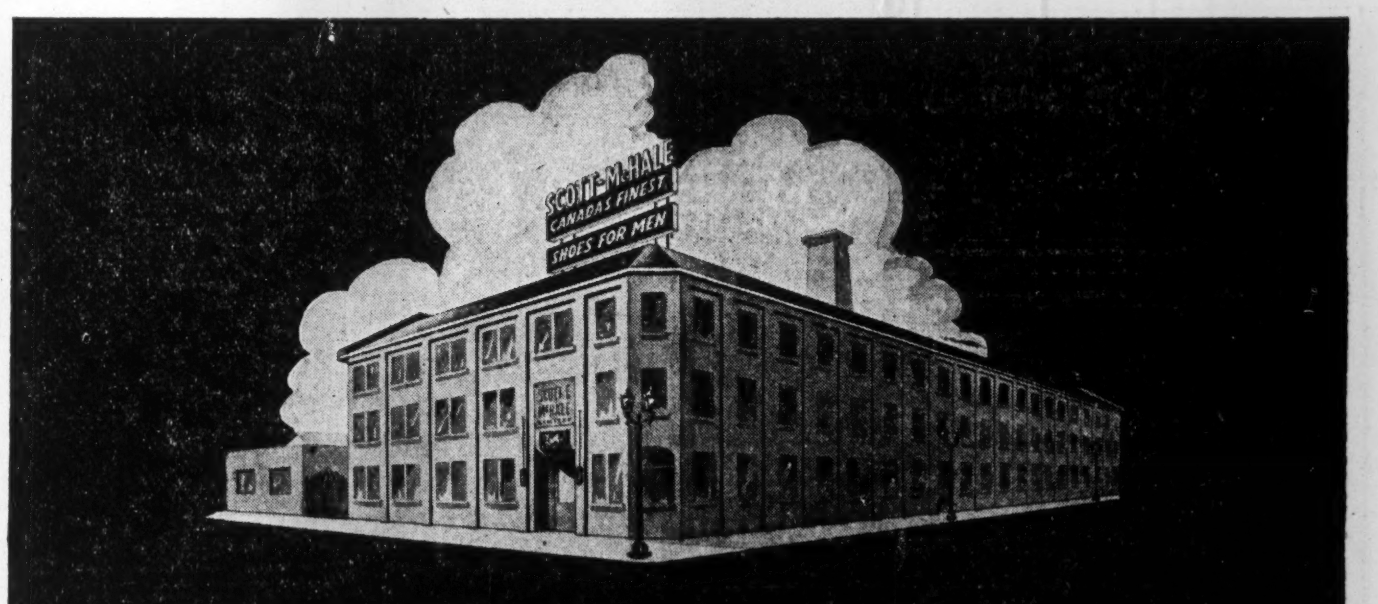
CLEVER wartime styling keeps Murray Heel Hugger and Selby Arch Preserver Shoes right out in front in the favour of Canadian women: But—and what an important "but" it is these days!—please discourage *neglect* of shoes, needless *exchanging*, *returns* for trivial reasons, etc. Good shoes like these *deserve* finest care—then they'll give supreme satisfaction and will last—and last—and last!

Lovely HEEL HUGGER *Shoes* by MURRAY

Selby Styl-eez Tru-poise ARCH PRESERVER *Shoes*

Sold at better stores from coast to coast.

Murray-Selby Shoes Limited
LONDON, ONT.



FINE SHOES HAVE BEEN BUILT ON THESE PREMISES FOR 38 YEARS

MORE MEN WEAR SCOTT-McHALE SHOES THAN ANY OTHER QUALITY BRAND A TRIBUTE TO THEIR FINER CRAFTSMANSHIP AND SMARTER STYLE

At Better Stores Everywhere

SCOTT McHALE

LOOK FOR THE INSOLE STAMP ... WITHOUT IT THEY ARE NOT SCOTT-McHALE QUALITY

BUILT BY THE *Scott-McHale* CRAFTSMEN

Nip Shoe Reconversion

New Military Needs Modify Plans for Civilians

Selected leather, strongest thread and steel reinforcements are used in 51 plants which have made 8 million pairs of boots for Canada's fighting forces. A workman die-cuts heavy side leather to make soles in one of the country's best equipped footwear factories.

Into the jigsaw puzzle of Canadian industrial reconversion the shoe industry is fitting a weird and wonderful piece. The "something new and different" is a renewal of military orders in the last few weeks, following heavy cutback since last May.

This means that many of the largest manufacturers of footwear must repeat to a considerable extent, the laborious and costly adjustments they made in 1940 to accommodate early war contracts, for many had shifted over to civilian requirements.

The shoe industry's early reconversion has been modified by a renewal of war contracts.

The ordinary buyer, therefore, after four years of fair-share-but-short-supply, will be in a position but little improved in 1944, The Financial Post is informed by representative manufacturers.

There is still the saving feature of increases in juvenile footwear output—the industry will boost production for children in 1944 by at least a million pair over 1943's approximate total of 2 millions—but the day of materially larger stocks of adult dress shoes has been pushed ahead.

Shoe Men Too Prompt

Hardly had the industry, commencing early in 1943, adjusted its processes to a late-war cutback in Government orders, than the adjustment was found premature and at least partial return to middle-war schedules necessary.

Out of a total of about 221 Canadian boot and shoe manufacturing establishments, some 51 of the largest had been devoting roughly 75% of their production to military needs. These 51 plants had undertaken in 1940 laborious and costly adjustments for war production — shifts in personnel, changes in lasts, in stocks of leather and other supplies and, due to wartime shortages, changes even in sources of some of these supplies. The change to war production was extensive and it was unsettling.

Last May they began reconversion, following cutback of Government orders on military account. Shoe manufacturers were among the earliest to face the end-results of war-boosted output.

Kids Compete With War

Shortage of juvenile footwear has been compounded more of increased demand than of lessened production. Now, production is being stepped up in a further effort to meet family needs. The rising birth-rate, a tendency to replace rather than repair children's shoes, the trend of rising income among all wage-earners, and with this a public tendency to demand higher-price children's shoes, disappearance of long-wearing crepe and rubber soles from the market coincident with the rubber shortage, all these have conspired to make necessary further expansion of an already record output for juveniles.

Two months ago WPTB and the footwear and leather industries jointly worked out a plan whereby manufacturers, mostly in Quebec, are upping this year's output of children's shoes a million pair over 1943's two million pair, or 50%. By spring, these promised new supplies may have gone a long way toward satisfying the clamor for boots for the infant and school child.

In 1942 there were 1,923,930 pair of infants' and babies' shoes produced at a cost of $1,407,866, as compared with 1,673,827 pair in 1941 at a cost of $1,185,054. For 10 months ending Oct. 3, 1943, production in this leather footwear division totalled 1,700,040 pair.

Estimates Differ

A statement from the Shoe Manufacturers' Association says juvenile production will show an over-all increase of nearly two million pair in the 15 months from Dec. 1, 1943, this against the official WPTB estimate of an increase of one million pair in 1944.

In any case the relatively severe shortage of the past year soon will be a thing of the past.

The Association cites disappearance of crepe composition soled leather shoes and of the common rubber soled canvas "running" shoe, so widely worn by children in summer, as a major factor in the 1943 shortage. Crepe sole, the Association says, had great wearing quality and would outwear the best of leather; leather, on the other hand, commonly wears faster than the child outgrows his shoes.

The 1944 schedule of children's output also aims to more nearly match the pace of the war-boosted birth rate, which in 1941-2 showed an increase of 19% and, in the first seven months of 1943, a further gain of 12%.

The greatest shortage has been evident in the three groups classified in the trade as Boys' & Youths', Misses' and Children's, Babies' and Infants'.

A moderate increase already had been achieved as early as last year in these younger sizes and styles. Production record since 1936 for the three classes mentioned is as follows:

Year.	Pair
1936-38 average	4,760,708
1937 normal	5,020,636
1939	4,964,049
1940	4,945,799
1941	6,034,076
1942	6,275,075
1942 eight mos.	4,207,971
1943 eight mos.	4,221,514

Increase in eight months of last year over the comparable 1942 period was 13,543 pair.

Early changes in the shoe industry's production pattern, apart from conversion to military schedules, involved simplifications and limitations of styles to enable the industry both to meet rising civilian demand and withstand squeeze under the price ceiling.

Styles and patterns were frozen two years ago under WPTB orders. Styles consuming too much leather or labor were eliminated; for instance, the men's brogue was banned for the duration, and in women's footwear those styles having maximum cutouts, stitchings and other frills were dispensed with.

In some cases gauges of sole leather were reduced to make heavier leather available for more military production, but manufacturers claim these measures have not affected the intrinsic value of civilian shoes being marketed today, nor reduced wearing quality materially.

As the year opens, the shoe industry is up to the ears in the detail of its newest swing, with a large part of total capacity being returned to military production and another large part gearing for more shoes for children.

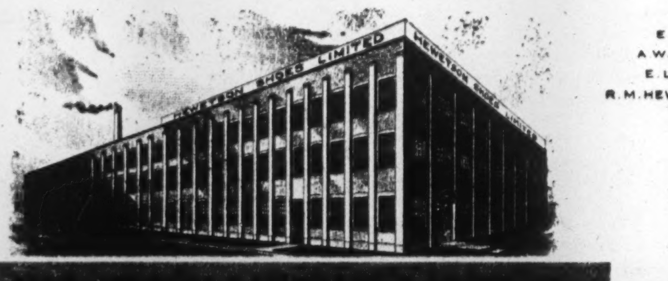
Canadian Rubber Shoes Hold Big Spot in U. K.

Canadian-made rubber boots and shoes, and canvas shoes with rubber soles were firmly established in the pre-war British market. Total export amounted to $3 or $4 millions a year and was remarkably stable. Volume for 1938 and 1939 was up almost a million dollars or 25% over 1929, but even in the depth of the depression there was a considerable export. In this line it would appear that certain Canadian manufacturers had firmly established themselves in Great Britain.

BETTER PAINT BRUSHES

WPTB reports that the Canadian horse hair dressing industry has increased production from 150,000 lb. to 400,000 lb. As a result consumers will be supplied with more effective paint brushes.

CABLE ADDRESS HEWETSON BRAMPTON A.B.C. CODE 5TH EDITION



E. HEWETSON, PRESIDENT
A. W. THOMPSON, GEN.-MANAGER
E. L. VOKES, ASST. GEN. MGR.
R. M. HEWETSON CLARK, SECY & TREAS.

SHOE MANUFACTURERS
BRAMPTON
CANADA

YOU CAN BE ASSURED OF QUALITY WITH THESE LABELS

January 22nd, 1944.

"ALL OUT FOR VICTORY" is more than a pleasing phrase at Hewetson's — it is the goal against which workers and management alike measure each day's accomplishments. Hewetson men and women in our big "sunshine factory" at Brampton have swung wholeheartedly into every phase of the war effort. They have been making Rest Shoes for all branches of the Armed Services first of all. Trying to keep our loyal dealers supplied with civilian supplies came next. But, whether it was the production of shoes for our fighting men and women, the topping of our objective in each of Canada's five Victory Loans, donations to the Mobile Red Cross Blood Clinic, or growing vegetables in the Company's large Victory Garden — whatever contributed to bringing the day of Victory closer, has commanded their enthusiastic support and co-operation.

This same loyal spirit ... this same desire to do things just a little better ... will find its reflection in the service you will receive, and in the new and even better lines of Hewetson footwear now being planned for after-the-war civilian use.

HEWETSON SHOES LIMITED

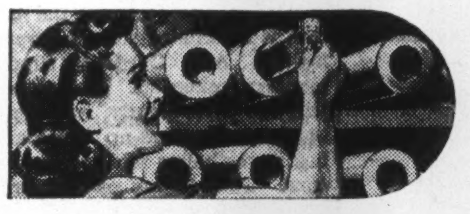
A. W. Thompson

General Manager.

Shoes for Children and Adults

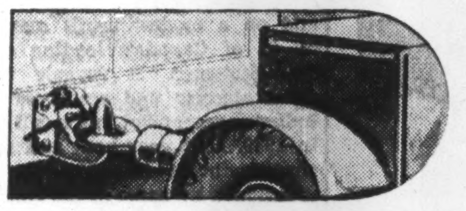
THE BOOT IS NOW ON THE OTHER FOOT

NAVAL ANTI-AIRCRAFT GUN MOUNTINGS

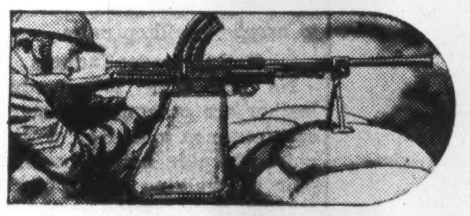


PRECISION GAUGES FOR CANADIAN ARSENALS

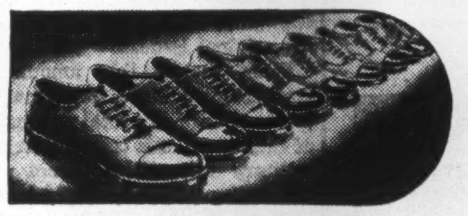
AUTOMATIC CARTRIDGE WEIGHING AND GAUGING MACHINES



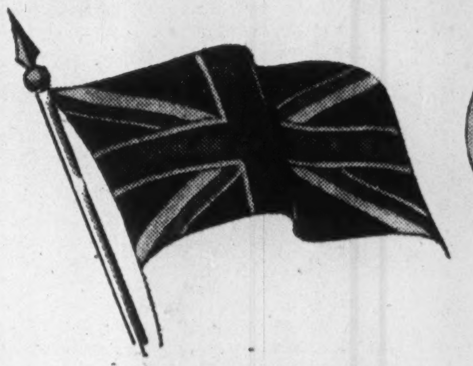
TOWING HOOKS FOR FIELD-GUNS



DEFLECTORS FOR BREN GUNS



ARMY REST SHOES



Four strenuous, up-hill years ago, the democracies were warding off savage, bloody blows of aggression.

Today, Canada stands at her full height among nations, armed to the teeth and powerfully poised for decisive crushing blows at the foes of freedom.

Through sheer toil, sweat and sacrifice, the nation has reached the well-nigh impossible point envisioned in 1939, when we all rolled up our sleeves with bulldog determination to march with the liberty-loving peoples of the world "into every quarter of the globe to establish a reign of justice and law among men".

To this high purpose, our nation has been geared, economically, industrially and militarily. We have plowed deep into our energies and our pocketbooks, transformed our industries, and relegated practically all else to make our war sinews hardy for the task.

During this period, Bata has converted its manufacturing facilities many times according to the necessities of the nation. We look forward today with the people of Canada to a decisive determination of the issues of the war, to the priceless reward of Victory. We look forward too in full confidence to our future service in the Canadian economy in all our lines of endeavour — not only in the shoe business but in export and precision machinery.

Bata
SHOE COMPANY OF CANADA LIMITED
BATAWA, ONTARIO

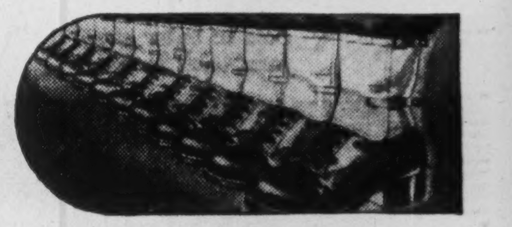
PRECISION MECHANISM FOR NAVAL WARFARE (TORPEDO BRAINS)

PRIMERS FOR SIX POUNDER ANTI-TANK AMMUNITION

FIRE CONTROL INSTRUMENTS FOR LIGHT NAVAL GUNS

AIRCRAFT HYDRAULICS

PRECISION DIES FOR PRODUCTION OF AMMUNITION



ARMY ANKLETS FOR INFANTRY

Can Shoes Hold Prewar Export?

W. Indies, U. K. and N. Z. Main "Agreement" Buyers

With the United Nations plunging for a European war climax this year, foreign market potentialities are getting closer scrutiny.

Despite pre-occupation with military demands and a continuously more insistent civilian backlog, the industry, through its representative Shoe Manufacturers' Association, is developing a new "export research" bureau.

The over-all aim is to make the most of whatever opportunities arise, and some of these are expected to materialize before very long.

Shoes for Europe?

Shoes from Canada for liberated Europe is a looming possibility and it finds footwear makers studiously following preliminary moves of the United Nations Relief and Rehabilitation Administration. It is, of course, too early to speculate on the scope and character of Canada's goods commitment under UNRRA, but the inclusion of shoes in substantial quantities is by no means unlikely.

Work boots and low-cost street shoes are seen as in prior demand with children's footwear a later possibility.

In the event of a heavy emergency commitment for footwear, the military production procedure probably will be repeated and a proportion of the larger plants will go on a quota basis—51 out of a total of 221 plants have devoted 75% of their capacity to military orders.

—National Film Board photo.

Up precipitous fortresses of rock and ice Canada's human fly Alpine troops are gaining through German lines in Italy. Here are the Canadian-made boots that help them make it, seen under repair at a B. C. training ground for reinforcements.

Wartime Exports

Canada's wartime footwear exports—not yet defined by statistical record—have been large, although naturally greatly less than pre-war. They have been handled by the individual manufacturers as direct sales on the ordinary market basis rather than as mutual-aid business or as supplies to the Allied Military Government—the organization for interim relief and administration in battle areas.

Canada, however, recently has been shipping civilian boots to Iceland and Greenland, and maintaining shipments of the same to Newfoundland and the West Indies, in response to efforts made by the Department of Trade and Commerce and the industry to increase quotas to countries suffering limitation of British exports in wartime.

Competing on a nearly even basis with British manufacturers as regards quality and price, Canadian footwear clearly has earned increased acceptance abroad.

This has been due only in part to specialization in types—for example Canadian ski and skating boots—and some credit has been given "style flair" of Canadian dress shoes for women.

B.W.I. Pre-war Focus

Accompanying tables show how the market for Canadian leather footwear expanded in the immediate pre-war years:

What World Paid for Canadian Footwear
(Pre-war exports $000)

Market	1937	1938	1939
Total	567	801	852
Jamaica	122	235	256
United Kingdom	272	246	275
New Zealand	59	134	179
Newfoundland	20	20	7
United States	39	29	24
All others	52	133	109

Jamaica clearly held the spotlight but close beside stood Trinidad & Tobago and some of the other British West Indian territorities.

B.W.I., receiving in 1935 less than 10,000 pair of Canadian boots, shoes and slippers, took during 1939 over 190,000 pair.

Jamaica alone received 170,000 pair in 1939 as against under 10,000 pair in 1935.

Trinidad and Tobago, British Honduras, British Guiana and Barbadoes all shared the increase.

In this process the U. S. as well as the United Kingdom yielded ground and, so far as future U. S. competition is concerned, one factor in retention of these gains is the question of the monetary exchange rate, which at the moment favors Canada in Empire markets.

The United Kingdom took 92,000 pair of Canadian leather boots, shoes and slippers in 1939 as against something over 36,000 in 1935. These were largely women's and juvenile styles, in contrast to B.W.I. run-of-the-mill consumption with men's boots and shoes prominent.

New Zealand was the pre-war star performer "down under," taking in 1939 nearly 64,000 pair against only a little more than 8,000 pair in 1935.

Australia, in contrast, from only exactly 87 pair in 1935 had moved to the very modest scale of something over 8,000 pair in 1939, having fallen back from the level of 12,500 pair established the preceding year.

United States was a big consumer of Canadian specialties for winter sports but took also substantial shipments of women's dress shoes. Canada actually is competing in the higher-price American feminine footwear market, although on a relatively meagre basis.

Pre-war movement of Canadian leather boots, shoes and slippers to the U. S. was more uneven than the Empire shipments. Taking 7,836 pair in 1935 and close to 10,500 pair the next year, U. S. buyers reached a total of nearly 14,000 pair in 1937 but dropped back to around 10,000 the following year and to 7,572 in 1939.

Pre-war Exports, Footwear and Shoe Leather

		1937	1938	1939
LEATHER FOOTWEAR				
Boots, shoes and slippers	pairs	246,676	345,536	385,695
	$	567,796	801,113	852,278
Moccasins and Indian slippers	pairs	7,961	12,854	8,478
	$	8,793	9,762	8,444
Cut soles	lb.	123,093	31,424	3,184
	$	52,073	15,326	606
LEATHER, UNMANUFACTURED		1937	1938	1939
Sole	lb.	1,146,674	853,442	1,060,962
	$	374,789	343,846	301,582
Patent (including upper)	$	1,547,335	1,844,649	1,452,453
Upper (except patent)	$	4,204,452	2,457,351	3,000,273
RUBBER FOOTWEAR		1937	1938	1939
Canvas shoes with rubber soles	pairs	2,132,666	1,879,064	2,002,830
	$	994,274	912,328	1,032,589
Boots and shoes of rubber	pairs	3,940,220	4,916,114	4,482,340
	$	3,589,091	4,452,641	3,743,684
Rubber heels, soles, soling slabs	$	370,399	393,949	353,339
Total value	$	11,709,002	11,230,965	10,745,248

(Thousands of pairs)

	1935	1936	1937	1938	1939	4-yr. gain
To Jamaica	9.3	47.0	79.1	138.8	169.8	160.5
To United Kingdom	36.1	76.6	90.7	78.7	92.0	55.9
Other destinations	26.7	48.4	76.8	128.0	123.8	97.1
Total exports	72.1	172.0	246.6	345.5	385.6	313.5

Women Snub Wooden Sole

Leather Shortage Starts Substitute Search in Great Britain

Britain's late-war shortage of sole leather recently brought wood into footwear.

One account in the Leeds Yorkshire Post described "works of art" in colored leather with wooden soles. These, the story goes, caught on at once and sold as fast as they were displayed, that is until the Government, apparently not too well versed in feminine psychology, issued a decree that women would have to wear them.

Abruptly, so it is said, British women began to refuse wooden soles.

What, No Plastics?

Apparently the British are looking past North American plastics.

A recent press dispatch from London said the Government's shoe trade research laboratory, under Harold Salt, director of civilian leather supply, was still searching for the perfect substitute for fast-vanishing leather, one that will carry British feet along the last miles of the Victory road. Said the London story:

"Shoe soles have been made from seaweed, reclaimed tires, parliamentary parchments. Postmen, schoolboys and policemen, as guinea pigs, try out these ersatz shoes, and they are checked fortnightly for performance.

The scientists are also combing the Continent for ideas—and experiments are being performed on German cardboard shoes, paper shoes from Finland and Italy and marching boots from Rommel's defeated army."

Shoes in WAR...
And in Peace

Invictus
THE BEST GOOD SHOE
always keeps its shape

WILKIE'S
Glove-Phit
SHOES

Savage Shoe

THE EAGLE SHOE CO. LTD.
MONTREAL

How to Recognize Finish: Guide to Judging Quality

Everybody buys shoes, wants good ones for his money, but not many people can tell a good shoe except by the price. And this hardly affords the most exact comparison, even though the customer is largely protected against misrepresentation under orderly conditions of the trade such as prevail in Canada.

How to recognize "finish" might profitably be studied as a guide to leather shoe quality by the consumer. No better start could be made than by learning that a well-defined solid edge indicates the high grade shoe.

Precise cutting of welt joints, whether done by hand or by machine, is of prime importance; improper welt joining is slovenly.

The joint at the heel should be smooth and an accent to the heel seat line.

Workmanlike trimming and setting of edges begins with wise selection of cutters and irons, and having the soles properly mulled before they are trimmed.

A sole that is in good temper will respond to the cutter and a smooth glass-like edge is the result. There are factories that lay stress on the edge-making and who require the edge setter to wet up the work so as to secure the required mellow condition of the soles.

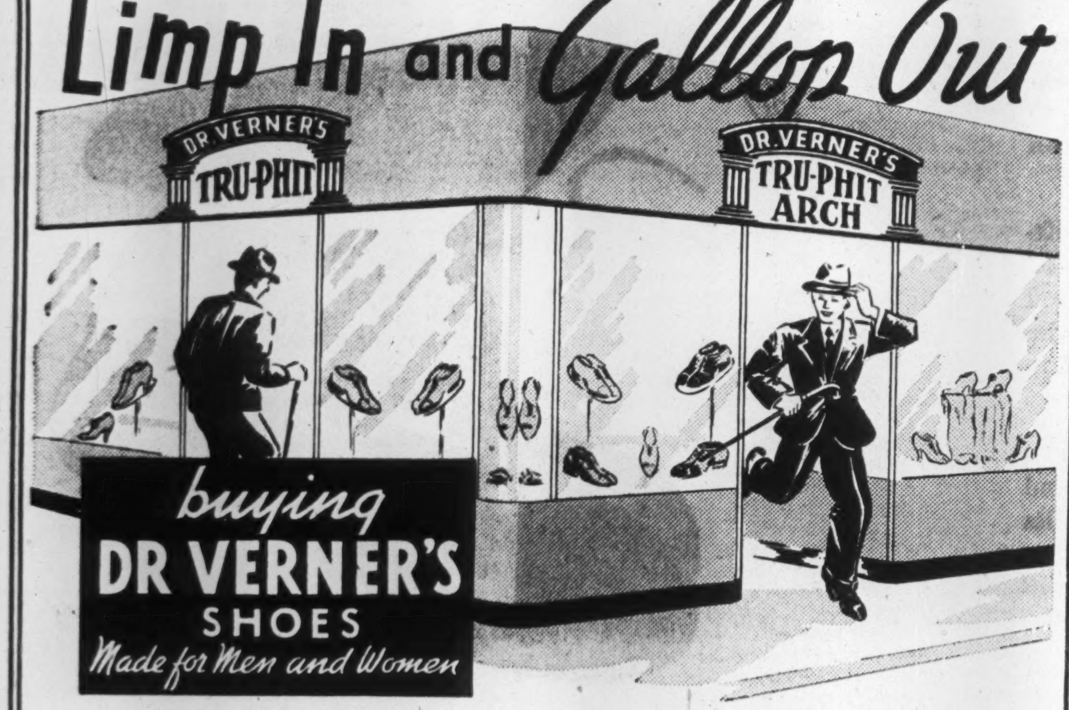
Time was when the stained or clear bottom predominated, the foreman of the finishing room regarding himself as a combination chemist and shoemaker. Every finishing room foreman had his own secret formula which was supposed to produce results that could not be duplicated by others.

Bottom finish was made a selling feature. Some were highly ornamental, expensive to make, required skill of the highest order. Every shoe manufacturer took special pride in the bottom finish of his shoes, and never failed to draw a prospective customer's attention to that part of the shoe.

Even black bottoms were put through a special work process to enhance lustre. Desire of every finishing room foreman was to put out black bottoms that gleamed like newly mined coal, and some finishers used penetrating black dyes in successive coats, then ironed with a moderately hot channel iron; "padding" and dressing finished the job.

Today the clear bottom is found only on shoes of higher grades and certain types of construction, although there will be found an occasional firm incorporating this feature in lower priced shoes. The pigment, or "pink" finish as it is known in shops, is an imitation.

Limp In and Gallop Out



buying
DR VERNER'S
SHOES
Made for Men and Women

In wearing Dr. Verner's Tru-Phit Arch Shoes, you will walk miles and miles and enjoy it the whole way through.

Manufactured By

DAOUST, LALONDE & CO. LTD.
MONTREAL

"You might not think to look at me
That I, too, work for Victory!"
SAYS
SANDY SAVAGE

Thousands of young Canadian fighting men enjoy sound, sturdy feet today because their feet were permitted to develop as nature intended during their childhood. The selection of helpful footwear during those formative years has played no small part in producing healthy feet for the most trying of tasks.

We of Savage Shoe Company have been producing scientifically designed footwear for Canadian children of several generations. We like to feel that we have thus contributed to the well being and efficiency of a great many Canadian men and women serving today on the home front, in the line of battle and on our war production lines.

The SAVAGE SHOE COMPANY LIMITED
PRESTON, ONTARIO

MAKERS OF
HURLBUT — HURLBUT SENIORS — HURLBUT PUSSYFOOT
SANDY SAVAGE — RESEARCH — JACK & JILL
PIED PIPER — MICKEY MOUSE — RED SCHOOL HOUSE

THE CANADIAN SHOE INDUSTRY IS DOING ITS BIT TOO

For Raiders and Rangers

Canadian commandos undertake landing operations that necessitate their sloshing through water and over rough terrain. The men of the Canadian forestry corps blaze trails through densely wooded bushlands and hew military bases out of the wilderness, when necessary. Both need waterproof, high, boots, thick and tough. This boot is designed for them of oil-retanned leather for protection.

The wool-lined flier's boot above may be zipped on in a hurry, over bedroom slippers if necessary, for a quick take-off. It's rubber, loose and warm, to keep feet from freezing at high altitude.

Non-spark Shoe

There must not be a trace of metal in this shoe. That's why its sole is attached by stitching and the heel with old-time wooden pegs. It's lightly constructed of tough but pliant leather and designed to save the lives of men who work in gun turrets, or magazines, or in dangerous positions near high explosives on service with the Royal Canadian Navy. It's the non-spark shoe which cannot set off an explosion.

For Women on Duty

Thousands of Canadian girls on active service with the W.R.C.N.S., the C.W.A.C. and the R.C.A.F. (W.D.) as well as with the Nursing Sisters, require sturdy, comfortable shoes that fit to perfection, and yet look smart enough to appear proudly on dress parade. This calfskin oxford is ideal.

Non-stop Marching Boot

Other countries look with envy on the solid, resounding boots of the Canadian soldier. The top of this boot is greased, re-tanned upper leather and is water-proof. The sole is now made with a clump sole studded with metal. It may be resoled often. It's designed to take Canadian soldiers all the way to Berlin.

Non-skid Boot

This looks like the G. I. army boot, but it's actually a Canadian non-skid tank boot, issued to the Canadian Armoured Corps. It has a rubber tap sole and heel to keep the tankman from slipping on the metal footing. The regular army boot might set up sparks, or set off a dangerous explosion. The United Kingdom and Canada tested this boot together. It is made by Canadian shoe manufacturers.

Non-trip Jump Boot

The American paratroopers inspired the idea of this jump boot, and our Canadians became accustomed to it in training in the South. Now, good Canadian paratroopers, fully trained, claim they can jump safely without it! In the future, they think the regular airman's boot may do. This one has a ramp heel to prevent uneven ground from tripping the paratrooper as he lands.

TECHNICAL developments in scientific footwear for all members of the Canadian armed forces are regarded by the ordnance experts of the services as of the utmost importance to the success of all our operations. The right shoes for the job and the place contribute immeasurably to the speed and safety of the men in the field and of the men at base, on whom the fighters depend.

The shoe industry of Canada is organized to develop with essential swiftness the new, improved footwear that has been designed with the help of military authorities to do the job intended. Today, Canada is considered important as a nation where science and industry combine to provide the finest possible equipment to give her fighters great striking power and to increase their chances of survival.

The Shoe Manufacturers' Association of Canada has recognized its own role in war, and has been quick to allocate experimental production and quantity production to the qualified manufacturers who make up its membership. This has resulted in fast action where needed, and has given Canadian soldiers, sailors and airmen the best shoes modern experience dictates for their requirements.

THE SHOE MANUFACTURERS' ASSOCIATION OF CANADA

FRANK MILLINGTON, MANAGER AND TREASURER • 328 UNIVERSITY TOWER BUILDING, MONTREAL, QUEBEC

Industry Covers 75 Towns

Footwear Manufacture Today a Major Business

By statistical measure the manufacture of leather footwear constitutes one of Canada's ranking industries. In 1942 some 221 reporting establishments represented a capital investment of $35.8 millions and had 19,113 employees in 75 communities receiving $19.8 millions in salaries and wages. Cost of materials consumed, mostly leather, was $40.1 millions and value of output $67.6 millions. Quantity of output stood at 33.1 million pairs.

It looks very much like a 34-million-pair year in 1943 for the shoe industry as against 33.1 millions in 1942, 32.6 in 1941, 26.2 in 1940 and 26.4 in 1939. DBS to date has reported only the 11-month total for the past year at 31.5 million pair but inasmuch as December output over the past four years has averaged 2.4 millions the estimate of 34 million pair for the whole year may be fairly close.

Total value of production in 1942 was $67.6 millions, an increase over the preceding period of $10.5 millions or 19% and an increase over 1940 of $21.8 millions or 48%.

More Than 19,000 Workers

The industry employed in factory and office in 1942 a total force of 19,113—a record high. There were 10,870 male and 8,243 female, as against 10,942 and 7,899 in 1941 and 10,514 male and 6,635 female in 1940. Total working forces in 1939 numbered 16,957. Salary and wage bill that year was $13.4 millions; it had jumped to $19.8 millions in 1942.

Cost of materials used by the footwear industry spurted in wartime from $21.5 millions in 1939 to $40.1 millions in 1942.

The Ancient Beginning

Among the busiest of the population of New France at the first census in 1667 were 20 shoemakers. Four years later the same fathers of Canadian footwear were making all the shoes required by their few thousand neighbors, and doing it with leather also made locally.

Until several decades after Confederation in 1867 little machinery was employed. Census of 1871 reported 4,191 leather shoe manufacturing establishments employing 18,719 persons with an average of four per establishment. Average annual output per plant was about $3,870. Nevertheless, with a total output of a little over $16 millions in 1870 it was Canada's third largest industry.

Development of Industry

Introduction of machinery around 1885 marked sharp reduction in number of persons employed — from 5,398 establishments with 18,041 employees in 1890 to 179 plants employing 13,743 workers at the turn of the century. However, total payroll dropped only $270,000 in spite of decrease of 4,300 workers.

Passage of 20 years of fluctuation found 175 firms employing around 14,000 workers in 1920. But again the influence of the machine is seen in the great increase in value of product. Output of 1900 was valued at $20 millions, that of 1920 at around $40 millions.

Since 1920 production of footwear has increased steadily from about 17 million pair at an average price of $2.63 to about 25 million pair at an average price of only $1.64 in 1940. The number of pair had increased about 50% but value of production actually decreased about $4 millions in spite of decided quality improvement.

1942 Unit Cost Up 12%

Against the background of a 1942 output of 33 million pair, unit cost of shoes at Canadian plants jumped about 12% or from $1.80 in 1941 to $2.03 in 1942, according to DBS figures released last fall.

Manufacturers tell why.

Included in the average were more of the higher-cost military boots. Shortages, rising price of materials and wages of labor pushed up operating costs. Increased demand for juveniles and WPTB restrictions complicated schedules. Notable shortages occurred in leather itself and in tanners' chemicals.

WPTB CONTROLS

But the price of shoes to the public has been maintained under WPTB's rigid ceiling, operating through the Footwear Administration, manufacturers and retailers.

The footwear trade and industry readily concedes — and no doubt the public is largely in agreement—that WPTB's investigations and regulations have held shoe prices, largely maintained quality and imposed emergency manufacturing economies, such as simplification of styles.

While these efforts often have hurt and hampered the industry, shoe men readily admit that by and large they have been beneficial to the public and the anti-inflation effort. They declare, moreover, their burdens have been eased to some extent by knowing they are contributing to winning the war.

Two Sewing Machines

Early in the 18th century, modern shoe making began to take form. For many years attempts had been made to develop machinery, but it wasn't until 1845 that the first machine found a permanent place in the field—a rolling machine to replace the former beating out by hand to increase wear. Success of this was followed by a fever of invention and a sole sewing machine which marked 1858 as advent of the shoe industry's machine age.

Rights to this invention were bought by one, Gordon McKay, and since then all shoes made by the process have been known as McKay-sewn shoes.

About the same time another sewing machine appeared, and the rights for this one were taken over by Charles Goodyear, Jr., son of the famous Goodyear who gave us rubber vulcanization. Shoes made by the process, of which this machine was basic, are known as Goodyear Welt shoes.

Many other inventions followed. Today machines are available for nearly every operation necessary to make shoes.

Knights of St. Crispin, organized in 1867, entered Canada at Montreal, soon set up lodges at Saint John, Quebec, Toronto, Guelph, Hamilton and Windsor.

Dedicated to protest what they considered the abuse of new machinery and factory systems which seemed to rob them of their craft and old-time independence, the Crispins grew rapidly—400 lodges in 1872, with the largest membership of any American union before 1875.

But they were fighting a losing battle against changes in markets, in mechanical methods, in the organization of the industry and in the supply of labor. Events moved fast in those days too and the Crispins passed out of existence in 1878 at the tender age of 11 years.

Difficulties of McKay in marketing his machine were to be the basis of the royalties and service which are outstanding features of the industry today.

McKay placed his machines in factories without charge and collected a royalty on every pair of shoes so made; today a majority of the machines used in making shoes are furnished by machinery manufacturers on a rental and royalty basis, and serviced by the makers.

The manufacturer isn't necessarily confined to that basis; machines covering practically all operations are offered on a straight sale basis.

In many of the smaller factories situated in areas of low labor rates, many operations are still performed by hand.

But the modern plant, producing from 200 pair up to thousands per day, is equipped fully with machines in practically all departments except cutting and packing rooms. About 150 machines and 200 operations are involved in completing a pair of shoes in such a plant.

Operations Since 1870

Average capital investment was $779 and average production $3,850 in the 4,191 establishments in 1870. By 1910 there were 180 firms with average capital $131,281 average output $188,818. Number of firms increased up to 1939 to 222 with average investment $133,600 and average output $184,349. Number of establishments had risen substantially and average capital investment had increased slightly, but value of production per firm had dropped about $4,000 a year.

It is well known that the industry is very easy to get into and does not require a great deal of capital because most of the machinery used is rented. Furthermore such entries have been expedited by credit facilities of tanners anxious to dispose of surplus production.

Casualties Common

But if it is an easy business to enter, it is also one that presents difficulties to him who would stay in. No less than 262 establishments went bankrupt, reorganized or discontinued business in the 14 years between 1930-43, and of that number only 20 still are in existence under the same ownership or interests closely related to former proprietors.

Less than a dozen firms have remained in business 50 years or more, while something like 25-30 have seen 25 years' service.

In the four most recent years covered by the statistics, 1939-42, some 59 factories failed, reorganized or discontinued operations. There was a definite stoppage of casualties following putting in force in mid-1942 of the simplifications program drawn up by the WPTB footwear administrator.

Average annual sales per firm of slightly over 100 of the leading footwear manufacturers during three years 1937-39 were $260,000 with a net operating profit before deducting provision for taxes of only $5,976 or 2.3% of sales. Raw materials constitute 52c. of each dollar of sales, labor 26c. Selling and administrative expenses 11.1c. and factory expenses 8.7c.

Geographic Division

Out of a total of 227 plants across Canada devoted to the manufacture of footwear, 140 are in Quebec Province, 69 in Ontario, five in the Maritimes and 13 in the West. B. C. has 7, Alberta 1, Manitoba 5, New Brunswick 3 and Nova Scotia 2.

Montreal alone has 63 of Quebec Province's 140 plants, while Quebec City has 28 and towns and villages in that province the other 49.

Toronto alone has 28, Kitchener 10 and Ontario towns and villages 31.

Here's how the several focal areas divided 1942 production: Montreal Island 32.1%; Quebec City and province outside Montreal Island 18.2%; Toronto district including Aurora, Brampton, Barrie, Campbellford, Frankford 18.8%; Kitchener district including Galt, Preston, Waterloo, Elmira, St. Jacob's, St. Thomas, London and Tillsonburg 15.9%; all others, including Perth, Ont., Richmond and St. Hyacinthe, Que., the Maritimes and the West, 15%.

Kinds of Shoes Made

Alberta's single establishment makes specialties and heavy duty footwear, while Manitoba's five, all in Winnipeg, specialize in heavy duty and sports footwear, slippers and moccasins. Six of B. C.'s seven plants are at Vancouver; all make some medium and fine shoes, heavy duty and sports footwear.

N. B.'s three plants, all at Fredericton, make men's and boys' high grade shoes, heavy duty and sports footwear. Nova Scotia's two plants specialize in heavy duty footwear and moccasins.

Excluding Toronto and Kitchener, the 31 plants in Ontario towns and villages make general lines in all grades of footwear from men's to infant's, specializing in juvenile. They also make heavy duty, sports, felts and slippers.

Kitchener's 10 leather shoe plants turn out medium to fine shoes in all lines including heavy duty and sports.

Toronto's 28 produce medium to high grade in several lines. Excepting four or five firms which make men's and women's good grade footwear, the biggest output is in novelties, specialties and slippers.

Montreal's 63 plants make general lines in all grades from cheapest to finest, slippers, sport shoes and heavy duty footwear being produced in heavy volume.

Quebec City's 28 plants produce medium to fine grades in general lines, also specializing in sport and heavy duty footwear.

Quebec provincial villages and communities (34) boast 49 plants and from these flows a complete general line of medium to fine grade footwear in heavy volume, including heavy duty, sports and slippers. Some of the country district factories of Quebec have the largest daily pair output in Canada.

THE FUTURE
Is In Our Own Hands

A FRIENDLY MESSAGE TO THE CANADIAN SHOE INDUSTRY

Looking ahead, let us realize that we must broaden our views towards the importance of our product if the Shoe Industry as a whole is to take its rightful place in post-war reorganization.

It will not be sufficient in the future to regard shoes as something that every man and woman must buy of necessity. We must demonstrate and prove that they are as an important item of attire as suits and dresses and worthy of the same care and attention when being purchased.

The fact that the correct choice of shoes can do so much towards establishing the harmony of costume so necessary to smart attire will suggest a more varied assortment as part of the wardrobe of every man and woman and, thereby, establish the thought that upon the choice of one's shoes may depend the fitness or otherwise of one's attire.

Of course, such things as these must wait for more stable conditions of supply before they can come in for vigorous promotion, but we can start now in the inculcation of our ideas so that the ground will be well cultivated when conditions for aggressive selling return.

We offer this thought, which is the background of our present policy, as worthy of consideration by all those who, like ourselves, look upon the Boot and Shoe Industry of Canada as one well capable of spreading its influence into the widest and most profitable markets.

LUDGER Duchaine INC.
STYLED FOOTWEAR
QUEBEC, CANADA

FINE FOOTWEAR FOR MEN AND WOMEN

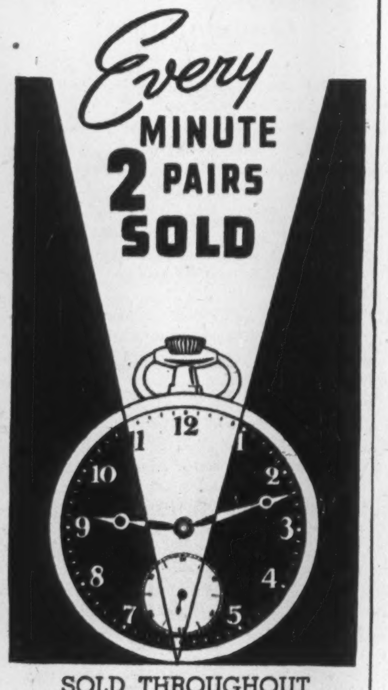
Is the war just an excuse?

In too many cases the war is used to cloak indifference and lack of initiative.

La Parisette Baby Shoe production is not in that class.

At present the cutting of LA PARISETTE Shoes is on a 24-hour round the clock schedule. Any business man will recognize what this kind of effort entails. Every department in our factory has been reorganized to get the very utmost in production. And yet the demand for our Baby Shoes continues to far outstrip productive capacity.

Day and Night



SOLD THROUGHOUT THE EMPIRE

La Parisette
TRADE MARK
BABY SHOES
Manufactured by
LUCIEN BOUGIE SHOE MFG., Montreal, Canada
THE CHILDREN'S FOOTWEAR SPECIALIST

MARCHING ALONG TOGETHER...

Yes, and on the right road — the road to Victory. Most of our production has gone to give foot comfort to the fighting men of Canada. Wearers of Ritchie shoes will know why we have been called upon to make so many pairs for the armed forces. Lately we have been able to release a greater number of Ritchie Shoes to leading shoe merchants throughout the Dominion.

THE RITCHIE SHOE

Ritchie
CANADA'S SMARTEST SHOES FOR MEN

THE JOHN RITCHIE CO. LIMITED—QUEBEC, CANADA

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING JANUARY 17

Range 1943-44 High	Low	Div $	Jan15 Y'ld %		Sales	Last Jan. 10	Week end. Jan. 17 H	L	Cl'se
4.25	.50	.	...	Abitibi	17083	2.87	3.25	3.00	3.25
33	5	.	...	Do. pref. 6%.	15331	28½	33	29	32½
62	12½	.	...	Do. pref. 7%.	95	58	62	59	62
11	8	.	...	Algoma Steel c	835	9½	10½	9½	10½
90	81	5	5.6	Do. pref.	30	89	90	90	90
102¾	97	5	5.2	Alum. of Can. p	315	98	98	96½	97
133½	88	8+2	10.2	Aluminium c	767	97	99	92	97½
11	8	.60	6.7	Amal. Electric.	50	9	9	9	9

Range 1943-44 High	Low	Div $	Jan15 Y'ld %		Sales	Last Jan. 10	Week end. Jan. 17 H	L	Cl'se
4¾	2½	.	...	Fairchild Air	175	2¾	3	2¾	3
30	21	1.50+.25	6	Fanny Farmer	1025	29	29	28½	29
5¾	1¾	.	...	Federal Grain	3395	4¾	5¾	4½	5½
90½	47	4▲	...	Do. pref.	315	82	84	80	82
6¾	2¾	.25	...	Fleet Aircraft	660	3¾	3¾	3½	3¾
25	19½	1	4.1	Ford Motor A	1280	24½	24¾	24½	24¾
.75	.05	.	...	For. Pr. Secs.	20	.40	.25	.25	.25
16¾	14	1.40	9.1	Foundation Co.	90	15½	15½	15½	15½
20½	12½	.	...	Fraser Cos.	305	19½	20½	20	20½

Range 1943-44 High	Low	Div $	Jan15 Y'ld %		Sales	Last Jan. 10	Week end. Jan. 17 H	L	Cl'se
51	32½	3	6	St. Law. Pap. p	428	47½	51	48	51
19½	10	.	...	Stand. Chem.	145	19	19	19	19
3	1	.	...	St Pav & Mat c	655	2¾	3	2¾	2¾
6	4	.40	6.7	Stand. Radio	25	5½	6	6	6
24	17	.60+.60	5	Stedman Bros.	55	22½	24	23½	23½
73	59¾	3	4.7	Steel of Canada	313	64	64	63	64
76½	66	3	4.3	Do. pref.	195	69½	70	69	70
3	3½	.	...	Sterling Coal	25	3½	3½	3½	3½
14	12	.80+.25	8	Stuart, D. A. p	35	12	12½	12½	12½

Range 1943-44 High	Low	Div. Rate $	Jan. 15 Yield %	Company	Sales	Last	Week Ending Jan. 17 High	Low	Close
1.40	.40	.02	....	L. Dufault.	9,400	.88	.90	.81	.81
17.75	10.25	.80	4.7	Lake Shore.	4,022	16.00	17.75	16.00	17.75
6.25	3.50	†.45	....	Lamaque G.	2,150	6.00	6.25	6.10	6.15
.09½	.03½	.....	....	Lapa Cad.	36,350	.07	.07½	.06½	.07½
.04½	.01	.....	....	Lebel Oro.	22,500	.03	.03½	.03	.03
1.27	.60½	.08	6.4	Leitch Gold	27,400	1.23	1.27	1.23	1.25
1.24	.67	.04	....	Little L L.	72,800	.97	1.24	.98	1.15
4.00	2.26	.24	....	Macassa	10,695	3.55	3.65	3.55	3.65
2.55	1.51	.05	....	MacLeod C.	24,957	2.45	2.55	2.43	2.45
1.75	.70	.06	....	Mad. R.L.	45,970	1.70	1.75	1.65	1.70

Oil Stocks

	Div. rate $	Last sale	Jan. 17 Bid	Ask
Brown Oil, debs.	2½%	30.00	..	30.00
Commoil	.00½	.21	.20	..
Common Pete	...	.30	.29	.32
Grease Creek	...	.02½	.01	..
Madison	...	.01½	.01½	.03
Mill City	†.03	.06	.06½	..
National Petroleum	...	.08	.08	..
Nordon	...	.04½	.04½	.07
Petrol Oil & Gas.	.02	.20	..	..
Royal Crest	.01	.01½	..	..
South West Pete	...	.26	.24	.35
Spooner	...	.07	.06½	.10
Sunset	†.02½	.07	.07	.08
Texas Can.	...	1.00	1.10	1.50
Vanalta	...	.07½	.07½	.08½

† Paid in 1943.

Supplementary Stock Quotations

(Furnished by Plaxton, McDonnell & Co., Toronto)

January 18, 1944

Miscellaneous Stocks:	Bid	Asked
*Acme Farmers, pf.	88	..
Allens Lond. Thea., pfd	45	..
Atlas Steels, 7% 2nd pf	107½	109½
Brantford Roofing, c	5¾	..
Brinton-Peterboro Cpt.	55	..
Can. Co-op. Wool.	8½	10
Can. Fairbanks. com.	20	..
Can Investors Corp.	5¾	6½
Can. Paving 1st pfd.	2½	..
Can. West. Lumber, c.	.60	.95
Cap. Wirecloth, com.	5½	6½
Cawthra Apts. pfd	3	..
*Claude Neon, 7% pfd.	9	..
Commer. Life 10% pd.	6	..
Eastern Steel 5% pref.	20½	21½
†Easy Wash., 7% pref.	10½	11½
Fed. F'dries & Steel, c.	.12	.17
Highland Dairy, c.	1	..
Homewood Sanitarium	85	..
Hudson's Bay Ord	8½	..
Insce. Exch. Bldg., c.	1	1½
Inter. Util. $3.50 pf.	49	51½
Milton Brick, com	.09	..
*Monarch Mtge. units	1½	..
Natl. Drug & Chem., p.	2½	..
Do., com.	1½	2
Nat. Hosiery, com.	1	..
Do., pref.	1.10	..
†Nor. Amer. Elev. 1st pf.	80	85
*Do., 2nd pref.	23	26
Do., com.	.25	.50
Nor. Telephone, c.	1	..
Numaque Mining	.05	..
Pacific Coast Terminals	6	..
Quebec Apt's., com.	1½	..
Que. Pulp & Paper pfd	24	25¾
Ritchie Cut Stone pfd	1¾	4
P. L. Robertson Mfg. c.	24	..
Do., $2.50 pref.	43½	45¾
E. L. Ruddy, pref.	26	..
Sawyer-Massey com.	.50	.80
St. John Dryd 5½% pfd.	96½	99½
Sincennes McN., com.	2	2½
Un. Farmers Co-op.	3	3¾
Waterloo Mfg., com.	4	4¾
Wentworth Radio, pf.	28	..
York Trading, com.	2¾	4

*Issue carries arrears.
†Currently paying on arrears.

Bond Redemptions

Bond Issues—	Rate	Year	Due	Price
Gt. Lakes Pwr.†	5%	1957	Feb. 4	103.89
Price Bros.	4%	1957	Mar. 1	100
Atlantic Sugar	•4%	1951	Mar. 1	102
T. Eaton Realty	*4%	1951	Jan. 28	100
Stop & Shop, A	3%	1947	Apr. 1	103½
Do., 2nd mtge.	3%	1947	Apr. 1	103
Dom. Elec. Pr.	5½%	1955	Mar. 1	103
Do., debs.	6½%	1950	June 1	102

† $20,000. • $62,000 * $315,000.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

January 18, 1944

Public Utility Issues:	Int. Rate %	Due	Bid Jan. 18	Ask.	Bid Jan. 11
▲Alg. Cen. H.B.R.	5	'59	36½	39	35½
†Assoc. Tel. & T.	5½	'55	95	98	94
B. C. Power	4½	'60	101½	103½	101½
B. C. Tel.	4½	'61	109½	111½	109½
†Calgary Pwr.	5	'60	113	115	113
Do.	5	'64	108	111	108
†Can. Nor. Pwr.	5	'53	109½	111½	109½
*Dom. Gas & El.	6½	'45	110½	112	110½
Gatineau Pwr.	5	'49	102	104½	102
*Do., A	3¾	'69	107	109	107
♦Do., B	3¾	'69	102	104	102
Gt. Lakes Pwr.	4½	'56	103	105½	102½
Do.	5	'57	102½	105	102½
*Int. Hydro-El.	6	'44	68½	71½	67
L. St. Law. Pwr.	5	'55	101	..	101
Macl'n-Que. Pr.	4	'59	101½	104	101½
Mtl. L. H. & Pr.	3½	'56	104½	107	105
Do.	3½	'73	101	103	101½
Do.	3½	'63	101	103	101½
†Mtl. Tramways	5	'51	104	106	104
†Do.	5	'55	91½	94½	91
Nat. Lt. & Pwr.	4½	'61	101	103½	101
N. S. Lt. & Pr.	4	'57	102½	105	102½
Ottawa L.H.&P.	4	'57	102½	105	102
Ottawa V. Pwr.	5	'59	102	104½	102
†Power Corp.	4½	'59	101	103½	101
Quebec Pwr.	4	'62	104	106	103
*Saguenay P., A	4½	'66	116	119	116
♦Do., B	4½	'66	106	109	106
St. Maurice Pr.	4½	'70	103½	106	103
Shaw. W. & Pr.	4	'61	104	107	104
†Do.	4½	'70	114	116	114
Do.	4	'69	104	107	104
Union Gas	4½	'50	101	103½	101
*Twin C. R. Tr.	5½	'52	106	108	106
†United Secs.	3	'52	94	97	94
‡Wpg. El., ser. A	5	'65	98	101	94
Do., B	5	'65	97½	100½	96½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	81	84	77½
Do., C.O.D.	5	'53	81	84	77½
Acadia Sugar	4½	'55	101½	103½	101½
Do.	6	'54	101½	103½	101½
†Alta. Pac. Grain	6	'46	105	107	105
Algoma Steel	5	'48	103	105½	103
Atlantic Sugar	4	'51	101½	103½	101½
†B. C. Pulp & P.	6	'50	98	101	97½
‡†Do.	7	'50	84½	87½	83½
*Brown Co.	5	'59	86	89	85
Burns & Co.	5	'58	90½	93½	87½
Canada Cement.	4½	'51	103	105	103
Canada Electric.	4½	'65	98½	101	98½
Can. Paper	4½	'52	100	103	100
Can. Steamship.	5	'57	104½	106½	104½
Can. Canners	4	'51	102	104	102
*Can. Int. Paper	6	'49	110	112	110
‡Can. Locomotive	6	'53	111½	114½	111½
‡†Candn. Vickers	6	'47	106	109	102
C. P. R.	3½	'51	102	104	102½
Do.	4	'49	105	107	105
†Consol. Paper	5½	'61	93½	96½	92½
Dom. Coal	4½	'52	100	103	100
Dom. Scott. Inv.	4	'52	100	..	100
Dom. Stl. & C.	6½	'55	107	109½	107
Dom. Tar	4½	'51	104	106	103
Dom. Woollens	6	'53	100½	103	100½
†Donnacona Pap.	4½	'56	93	96	92
*Dryden Pap.	6	'49	104	..	104
†East. Dairies	6	'49	98	100½	98
Famous Players.	4½	'51	103	105	103
†Federal Grain	6	'49	107	109	106½
†Fraser Cos.	6	'50	105	107	105
Galt Brass	5	'50	96	..	96
Gen. Stl. Wares	4½	'52	102	104	101½
*Great L. Paper	5	'55	101	103½	101
*Gurney Fdry.	5½	'49	96	..	96
†Gypsum Lime	5½	'48	105	107½	105
Ham. By-Pr. C.	5	'55	102	104½	102
Do.	6	'56	102	104½	102
Ham. Cotton	3	'44-53	98	101	98
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4	'52	97½	100	97½
Ins. Ex. Bldg.	3	'51	57	60	57
*Inter. P. Nfld. (Bowater's P. & P.)	5	'68	101	103	101
*Inv. Bond & Sh.	5	'47	57	..	55
†Kingston Elev.	6	'50	105	..	105
Lake St. J. P.	5½	'61	98	100½	96½
Do.	5	'61	83	86	79

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Jan. 18	33,100	32,600	917,000	......
Jan. 17	36,800	8,400	869,000	......
Jan. 15	22,300	8,300	617,000	16,550
Jan. 14	25,000	30,400	1,069,000	36,175
Jan. 13	21,500	26,700	799,000	19,900
Jan. 12	30,800	14,900	857,000	55,660

Annual Meetings

1944	Company	Place
Jan. 21	Lapa Cadillac Gold	Toronto
Jan. 25	Confederation Life	Toronto
Jan. 25	Canada Vinegars	Toronto
Jan. 27	Canada Iron	Montreal
Jan. 27	Excelsior Life	Toronto
Jan. 27	MacL.-Cockshutt Gold	Toronto
Jan. 27	Natl. Sewer Pipe	Toronto
Jan. 28	Crown Life	Toronto
Jan. 28	Can. Permanent Mtge.	Toronto
Jan. 28	Foreign Power Secs.	Toronto
Jan. 28	Northern Can. Mines	Toronto
Jan. 28	United Distillers	Vancouver
Jan. 28	Western Life Assur.	Hamilton
Jan. 31	Can. Car & Foundry	Montreal
Jan. 31	Can. Food Products	Toronto
Jan. 31	North Amer. Life	Toronto
Feb. 2	Bk. Nova Scotia	Halifax
Feb. 8	Sun Life Assur.	Montreal
Feb. 9	Guarantee of N. A.	Montreal
Feb. 24	Bell Telephone	Montreal
Feb. 28	Montreal Life Ins.	Montreal

* Special general.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.85	$11.85	$11.02
Hogs	17.10	17.10	16.81
Copper, lb.	*.12	.12	.12
Sugar, raw, lb.	*.0374	.0374	.0374
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	102.8	103.0	101.6
Dow Jones (fut.)	96.43	96.72	89.18
Fishers'	112.3	112.4	109.8
Monthly Indices			
Canada (D.B.S.):			
Retail (Dec.)	119.3	119.4	118.8
W'sale (Nov.)	102.4	101.9	96.9
U. S. (Oct.)	103.0	103.1	100.0
Gr. Brit. (Oct.)	162.5	162.9	160.1

Note—The base of indices is that 1926 equals 100. † Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

Corporation Bonds (Cont'd)

Legare	6	'61	97	100	97
Maple L. M.	5½	'58	101	103	101
Man. Sugar	5	'60	105	108	105
Massey-Harris	4½	'54	101½	104	101½
McColl-Fron.	4½	'49	103½	105½	103
McCormicks	4	'52	101	103	101
Do.	4½	'52	101½	..	101½
Mercury Mills	5	'59	102	105	102
Mersey Paper	5	'57	99	101½	98
†Do.	6	'49	99	101½	98½
*M. & O. Paper	5	'60	110½	112½	109½
Moirs Ltd.	6	'53	96½	..	96
‡Mtrl. Drydocks	6	'48	95½	98½	96½
Montreal Apts.	4	'54	63½	66½	63½
N. S. Stl. Coal	3½	'63	87½	90½	87½
Price Bros.	5	'57	102½	105	102½
Do.	4	'57	100	..	100
*Prov. Paper	5½	'47	105	..	105
Reliance Grain	4½	'52	100	103	100
†Restigouche Co.	6	'48	105	107	105
Rolland Paper	4½	'51	101½	104	101½
Ruddy, E. L.	6½	'48	99½	101½	99½
Silv. Dairies	6	'66	98½	101	98½
Simpsons, Ltd.	4½	'51	103	105½	103
Smith, Howard	4½	'51	102½	105	102½
Stand. Lime	6	'44	99	..	99
Sterling Coal	6	'45	100	102	100
United Amuse.	5	'56	102	..	102
United Corp.	4	'58	98½	101	98½
*United Gas	5½	'48	108	..	108
United Gr. Grs.	4½	'58	100½	102½	100
†Western Grain	5	'63	90	93	88½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Canada or U. K.

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Jan. 18, 1944

%	Due	Bid	Ask.
2	June 1944	100	100¾
1½	Sept. 1944	100	100¾
4½	Oct. 1944	102½	103
2½	Nov. 1944	101	101½
2	Mar. 1945	100¾	101½
2	Dec. 1946	100¾	101½
4½	Feb. 1946	105½	106½
2½	Mar. 1948	100¾	101¾
1¾	May 1946	100	100¾
*2½	Jan. 1948	102½	103½
3½	June 1949	102¾	103½
3½	Oct. 1949	101½	102½
3	June 1951	103	104
3½	Nov. 1951	103½	104½
3½	Feb. 1952	104½	105½
3	Oct. 1952	101¾	102¾
4	Oct. 1952	106	107
*3	Jan. 1953	102¾	103¾
3	June 1955	100½	101½
3	Nov. 1956	100½	101½
4½	Nov. 1956	106½	107½
4½	Nov. 1957	107¾	108¾
3	Mar. 1954	101¾	102¾
*3	Jan. 1958	101¾	102½
3	June 1958	99¾	100¾
4½	Nov. 1958	108¾	109¾
4½	Nov. 1959	109¾	110¾
*4	Oct. 1960	108½	109½
*3½	Jan. 1961	103¾	105½
3½	June 1966	102½	103½
*3	Jan. 1967	101½	102½
*3	Nov. 1968	101½	102½
3	Perpetual	94½	95½
4th Victory Loan:			
1¾	May 1946	100	100½
3	Jan. 1954-57	99¾	100½
5th Victory Loan:			
1¾	May 1947	99¾	100
3	Jan. 1956-59	99¾	100
Dominion Guarant'd Bonds Can. Natl. Railways:			
2½	Jan. 1946	100¾	101¾
3	May 1944	100½	101½
3	Dec. 1950	101½	102½
3	Jan. 1959	99½	100½
4½	Sept. 1951	122½	123¾
4½	Feb. 1956	127	128½
4½	July 1957	128½	129½
3	Feb. 1953	101	102
4¾	June 1955	128¾	130
5	Feb. 1954	117½	118¾
5	July 1969	116½	117½
5	Oct. 1969	127½	129
5	Feb. 1970	127½	129
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	130	131½
Grand Trunk Pacific Rly.:			
3	Jan. 1962	109¾	111½
Provincial Govt. Bonds			
New Brunswick:			
4	Nov. 1947	111½	113½
3	Oct. 1951	98½	100½
3½	Aug. 1949	99½	101½
3½	June 1956	100¾	102¾
4½	Apr. 1961	118¾	121½
5	Jan. 1960	124¾	127½
Nova Scotia:			
3	Jan. 1952	99½	101½
3½	June 1956	100¾	102¾
3½	Nov. 1950	103½	105½
4½	Sept. 1952	115½	117½
4½	Nov. 1960	124½	127½
5	Mar. 1960	129½	131½
Ontario:			
2½	May 1945	100½	101½
3	Apr. 1948	100¾	102½
3	Nov. 1950	100½	102
3½	Nov. 1951	102	103½
3½	May 1955	101½	102¾
4	June 1962	121¾	124½
4½	June 1950	109	110½
4½	Jan. 1962	128	131
5	Oct. 1948	109½	111
5	Dec. 1969	135½	138½
5½	July 1946	107	108½
Ont. Hydro Commission:			
3	Aug. 1948	100¾	102½
3½	Feb. 1953	101	102½
3½	Apr. 1947	103½	104¾
Prince Edward Island:			
4	Mar. 1954	101½	103¾
Quebec:			
3	Nov. 1947	100½	102
3½	Mar. 1948	101	102½
3½	Mar. 1959	101½	102¾
4	Nov. 1952	103½	105
3¾	Feb. 1955	103½	104¾
4½	Aug. 1958	108½	110½
4½	Jan. 1963	112¾	115½
Alberta:			
4½	Oct. 1956	82½	85
4	Dec. 1954	80½	83½
5	Oct. 1959	83½	86
5½	Apr. 1952	84½	87
6	Mar. 1947	85	87½
British Columbia:			
4	Dec. 1957	115¾	118½
4	Jan. 1951	117¾	120½
4½	Oct. 1953	118¾	121½
5	Apr. 1954	121½	124½
5½	Feb. 1945	102	104
6	Feb. 1947	107½	109½
Manitoba:			
4	Dec. 1957	108½	110½
4½	Dec. 1956	112¾	113½
5	Dec. 1959	118¾	121½
5½	Oct. 1955	113½	115¾
6	Apr. 1947	106½	108¾
Saskatchewan:			
4	Sept. 1954	89¾	91¾
4	Nov. 1950	88¾	91½
4½	Oct. 1951	101¾	104½
4½	Mar. 1960	95½	98½
5	Aug. 1958	98¾	101½
5½	Oct. 1952	99½	102½
6	Mar. 1952	102½	104¾

*Payable N.Y.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Jan. 18, 1944

Industrials:	Bid	Ask.
Andian National.	23¾	25½
Anglo C. Tel., A	9½	10
Atlas Steels, c.	25	26½
Do., pref.	107	..
B. C. Pulp, c.	13	..
Do., pfd.	73	78
B. C. Sugar	74	78
B. C. Tel., p.	113	..
Brown, com.	2	2½
Do., 6% pd.	34½	38
Burns & Co., A	11½	..
Do., B	7½	..
Canada Tea, p.	40	..
Can. Indust. A	150	..
Can. Mach., p.	6½	8½
Can. Ing. Rand	53½	63
Can. Mot. L.A.B.	8½	9½
Cap. W. Cloth. p.	18	21
Col. Realty	3½	..
Chase, A. W., p.	17	..
Colonial Steam.	62	66
Corr. Box, c.	1½	3½
Detroit Int. Br.	4½	..
Dover Ind.	8¾	..
Dunlop T., p. $25	24½	..
Edm. St. Yards	40	..
Galt Brass, c.	14	..
Goderich Elev.	11½	13
Guard. Realty, p.	19	21
Gurney Fdy., p.	2	2¾
Hart Battery	5¾	..
Hayes Steel, c.	13½	14½
High. Dairy, pf.	52	..
Ingram & Bell, p.	93	..
Kingst. ship. c.	12	15
Loblaw Inc., c.	10½	11
Minn. & Ont., c.	10	11½
Mt. Royal Htl., c.	3	..
M'row Screw., p.	101	..
Do., com.	15	..
Moirs, pfd.	41	..
Morrison Br. pd.	..	13

	Bid	Ask.
Neilson, Wm. C.	12½	..
Do., p.	101	..
N. Meth. Ldy., p.	76½	..
Quinte Milk	3	..
Prov. Paper, p.	101	103½
River, Silk, B.	2½	..
Stand. Fuel, c.	1	..
Stand. Fuel, p.	72	..
Stedman, pf. $50	55	58
Sutton Horsley	..	1½
Tor. Carpet, c.	72½	..
U. Stk. Yd. Sask. p	80	..
Un. Steel A, pf.	23½	25
Viceroy Mfg., c.	16½	22½
Do., pref.	23½	26
West. Grain, pfd.	30	33½
Trust & Loan Stocks:		
British Mtge.	125	135
Capital Trust*	30	..
Comm. Fin. c.	7½	8½
Crown Trust	59	..
Eastern Tr.	145	..
Grey B. Tr. $50	47½	..
Guelph & O. $50	50	55
Indust. Mtge.	26	..
Lambton Loan	36	40½
Lond. & W. Trust	38	..
Midland Loan	14½	17½
Montreal Tr.	64	..
N. S. Trust	144	..
Premier Trust	39	..
Royal Trust	70	..
Sherbrooke Tr.	121	..
Sterling Trust	56	..
Trusts & Guar.	37½	..
Victoria Trust	74	80
Waterloo Trust	100	105
Insurance Stocks:		
Brit. Amer.	51½	..
Canadian Fire	75	..

	Bid	Ask.
Canada Life	360	..
Confed. 30% pd.	..	133
Continentla L.	28	31½
Crown Life	250	..
D. of Can. Gen.	125	..
Dom. Life	175	..
Empire, 25% pd.	10	..
Excelsior 40% pd.	78	..
Great-West Life	260	275
Guar. N. Amer.	200	..
Halifax Fire	14½	16½
Manufac. Life	250	..
Monarch 20% pd.	37	..
Maritime Life	21	..
National Life	10½	..
Sov. L. 25% pd.	16	..
Sun Life	310	..
Tor. General	4½	5½
Western Assce.	46	..
Do., pref.	41½	..
Western Life	11	..
Investment Trust Shares:		
Deb. & Sec., pf.	74	..
Th. Can. Inv. Tr.	2¾	3
Theatre Stocks:		
Allen's St. Cath. units	63	..
Do., Kingston	65½	70
Do., Toronto, p.	36	..
Para. Kitch., p.	49	..
Do., Oshawa, c.	10½	..
Do., Oshawa, p.	85	..
Power Issues:		
Can. W. Nat. Gas	29	..
Do., pfd.	104	..
Gt. Lakes Pr., p.	112	..
Mtl. Is. Pwr., p.	42	..
N. B. Telephone	11½	13½
Nor. Ont. Pwr. p.	72	78

Unlisted Mines

Toronto, Jan. 18, 1944

	Bid	Ask
Aljo	.25½	.28
Algo Cop	..	.16
Amal Kir	.18	.20
Ama Lar	1.10	1.15
Amicmica	.13	.16
Anna'que	.11	.13
Anoki	.16	.18
Apex Oils	.16	.18
Area	.11	.13
Arntfield	.11	.12
Banca	.50	.55
Bar Lar	.18½	.20
Brock	.14¾	.15½
Calder Bo	.05½	.06½
Cen Man	.03¾	.04½
Cheminis	.22½	.24
Classic S	.20	.23
Clift Con	.07	.09
Cock R L	.14¾	.15½
Columbier	.12	.15
Cons Chib	.08	.10
Crowshore	.03½	.05
Dack Crk	.12	.14
Demp Cd	.06½	.07½
Detomac	.30	.35
Der R L	.26	.27
De Santis (new)	.08	.10
Dom Nic	.11	.13
Donalda	2.18	2.22
Dona Pat	.08¾	.09½
Eastward	.28	.31
Electra	.11½	.13
Enter Fl	1.45	1.60
Goodrock	.02½	.02¾
Gr Prair	..	.29
G L Iron	.05	.07
Gunflint	.12	.14
Harp Mal	.06¾	.07½
Hayes Cad	.03	.03¾
Highridge	.09	.10½
Hoyle n'w	.19	.22
Hugh P P	.16½	.18
Laguerre	.27	.29
Lk Geneva	.05	.07
Lar-Add	.11	.11½
Larder U	.11½	.13
Largold	.18	.21
Legardo	.15	.17
Magn Con	.32	.34
Marbenor	.22	.24
Mar Bird	.06¾	.07½
Mat Con	.17	..
Metalore	.11	.15
Mica Spar	.48	.52
Moffatt H (new)	.04¾	.05½
Mosher	.14	.15
Moosewoo	.11	.12
McManus	.04	.05
McMarma	.20	.21
Nat Mal	.38	.40
Naybob	.03	.03½
New Aug	.25	.27
Nick Off	1.10	1.25
New Mal	.23	.24
Norbeau	.40	.44
Norbenite	.19	.22
Norseman	.06	.09
Obalski	.09	.10
Oklend	.08	.09½
A'L Mala	.10½	.11½
Opemiska	.07	.09
Orpit	.07½	.08
Pascalis	.37½	.39
Pelangio	.07	.07¾
Pontiac R (old)	.17	.20
Pt Coldw	..	.31
Presdor	.04½	.04¾
Privateer	.38	.40
Que Man	.25	.27
Rand Mal	.34	.36
Raylartic	.12	..
Rebair	.37	.42
Ritoria	.16	.18
S.A.G.A.	.75	.85
Sheldon	.26	.29
Stadacona	.17	.20
Thomso L	.17	..
Thurbois	.18	.21
Tom Iron	..	.60
Tombill	.14	.17
Tovarich	.08¾	.09½
Un Mining	.08½	.10
Virgo	.29	.31
Wesley	.02½	.03
West R L	.04	.04½
West Shor	.04¾	.05½
Y Davids	.34	.36

Oil Royalties

Producing Wells — Prices and Payments

	Dec. daily quota bbls.§	Mar. 15 daily quota bbls.§	Sept. pay. 1% $	Oct. pay 1% $	Nov. pay. 1% $	Total to Nov. 30 1% $	Offering price* per 1% $
Ace No. 1 gross	300	386	128.91	146.87	139.88	5,850.70	5,000
Alta. Oil Inc. No. 1 gr.	50	65	22.40	18.00	21.60	3,907.60	....
Do., No. 1 net	50	65	17.20	15.60	20.40	4,380.40	700
Do., No. 2 gr.	300	389	136.40	139.20	127.20	5,938.20	4,500
Do., No. 2 net	300	380	97.60	93.60	†229.20	7,107.00	2,800
Allied No. 1 pfd.	75	93	39.32	32.05	†97.76	1,893.92	1,000
Arrow No. 1 net	100	135	42.00	35.00	38.00	1,212.12	1,300
Do., No. 2 net	120	170	51.00	44.00	48.00	2,134.20	1,600
Atlas No. 1 net pfd.	75	....	36.80	36.80	▲36.80	......	1,200
Atlas-Br. D. No. 2 net	370	450	130.40	130.40	▲130.40	......	4,600
Atlas-Br. D. No. 3 pfd.	315	430	173.20	173.20	157.60	......	4,600
East Crest No. 5	115	115	48.40	47.20	†108.80	919.60	1,600
Empire pfd.■	...	....	....	....	.....	......	1,100
Independent No. 1 pfd.	180	200	86.14	97.89	92.22	......	2,200
Do., No. 1 gr.	180	200	75.17	75.17	69.33	3,138.12	....
Major Oil No. 1 pfd.	50	95	26.80	25.20	37.20	1,211.70	1,200
Do., No. 1 gr.	50	95	22.60	31.20	48.40	2,054.60	1,700
Do., No. 2 net	240	350	90.40	75.60	†248.40	5,850.80	2,700
Do., No. 2 gr.	240	350	130.80	121.20	126.80	7,746.20	4,400
Do., No. 3 net	400	588	144.00	124.00	134.40	8,398.00	4,500
Do., No. 3 gr.	400	588	192.00	203.20	200.00	......	....
Do., No. 4 pfd.	70	125	42.00	60.80	32.40	......	....
Do., No. 4 gr.	70	125	38.40	69.60	36.00	......	....
Do., No. 6 pfd.	300	...	....	....	....	......	1,100
Do., No. 6 gr.	300	...	....	....	192.40	......	4,800
Do., No. 7 pfd.	300	500	194.40	140.40	188.80	3,313.20	4,800
Do., No. 7 gr.	300	...	168.00	148.00	175.20	......	5,900
Do., No. 7 dfd.	300	500	....	....	....	......	4,100
Do., No. 8 pfd.	165	225	93.60	78.60	102.80	1,395.40	2,800
Do., No. 8 gr.	165	225	68.40	73.60	81.20	1,721.20	3,300
Do., No. 8 dfd.	165	225	....	....	....	......	1,300
Do., No. 9 gr.	250	320	133.60	101.20	115.60	2,645.00	....
Do., No. 9 pfd.	250	320	154.00	....	129.60	‡1,163.60	3,600
Do., No. 9 dfd.	250	320	....	....	....	......	1,300
Maryland, pfd.	95	...	....	....	....	......	700
Miracle No. 1 net	280	300	84.47	86.51	102.84	6,104.20	3,000
Do., No. 1 gr.	280	300	‡126.00	121.60	125.60	6,310.79	4,300
Do., No. 2 pfd.	110	200	62.71	52.89	52.90	......	....
Do., No. 2 gr.	110	200	66.40	46.80	50.40	1,733.38	....
Miracle No. 3 pfd.	300	...	....	....	....	......	2,500
Do., No. 3 gr.	300	...	....	145.56	▲145.56	......	....
National Vulcan	150	...	....	....	....	......	2,300
Northend Pete No. 1 pfd.	♦	....	....	....	....	......	2,500
Do., No. 1 gr.	♦	....	....	....	....	......	5,300
Twin City No. 2 gr.	165	...	77.70	83.77	70.59	......	....

* Approximately 25% over dealers' bid price. ♦Testing.
§ Approximate.
■ Ontario Acreage Royalty. ‡To Sept. 30. ▲Oct. payments.
† Increased payment represents distribution of a reserve against possible increase in gross payment to Alberta Gov't. (which increase was not allowed in court). Payment must not be considered a regular payment.

Wheat Prices

Winnipeg Grain Futures

Week of Jan. 17, 1944

Crop year from Aug. 1, 1943 High	Low		High for week	Low for week	Close Jan. 17
		Oats*			
.51½	.51½	May	.51½	.51½	.51½
		Barley*			
.64¾	.64¾	May	.64¾	.64¾	.64¾
		Rye.			
1.31⅜	.92⅛	May	1.30⅛	1.22⅞	1.24⅜
1.31	1.08½	July	1.29⅛	1.22½	1.23⅞

* At ceiling.

Cash Quotations

	For Week Jan. 17, 1944 High	Low	Prev. week High	Low
Oats*:				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51½	.51½	.51½
Barley*:				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye:				
2 C. W.	1.26¼	1.21⅜	1.27⅜	1.22⅜

* At ceiling prices.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 14	Banks 8	Total utilities 18	Total co's. 94
(Base 1935-39=100)												
***1935 to date:**												
High	134.5	234.4	149.7	123.7	135.7	118.3	150.0	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1943: Monthly Figures:												
Jan.	90.3	75.3	82.4	62.9	114.3	88.2	109.7	84.0	88.5	76.7	90.0	76.3
Feb.	94.0	75.8	88.3	67.2	117.4	88.1	111.8	85.0	88.0	78.6	88.0	78.7
Mar.	96.7	77.1	89.5	65.6	118.1	81.6	113.9	85.3	88.6	80.2	92.1	79.1
April	100.8	79.6	93.3	67.7	121.1	87.4	128.2	89.5	95.8	80.9	101.4	82.8
May	104.0	89.3	91.6	67.9	119.9	88.7	128.1	91.4	101.0	80.5	106.2	83.7
June	108.6	94.7	96.0	73.2	124.0	89.4	133.5	93.1	111.1	81.4	111.1	86.3
July	110.5	106.8	94.1	84.9	126.0	91.5	137.9	94.5	111.3	81.7	112.4	91.0
Aug.	109.4	104.8	92.2	82.1	125.9	93.4	138.0	93.3	109.0	82.7	109.5	88.9
Sept.	111.4	104.7	91.9	83.5	126.1	93.4	138.5	92.6	110.8	82.8	110.3	89.3
Oct.	110.8	103.0	88.2	81.0	124.8	93.6	143.9	90.8	102.3	81.3	104.3	86.4
Nov.	103.8	96.5	89.6	74.4	120.3	90.7	142.2	85.2	90.9	79.9	94.1	79.6
1943: Weekly Figures:												
Dec. 2	103.0	95.6	88.7	72.9	118.6	89.5	143.1	83.3	93.0	78.7	95.0	78.9
Dec. 9	104.5	100.5	88.0	74.9	119.4	88.1	143.0	83.9	92.8	79.1	96.3	80.6
Dec. 16	106.1	103.2	90.1	75.4	119.6	87.8	151.6	84.3	93.0	79.0	96.2	80.9
Dec. 23	105.7	103.6	88.2	74.8	119.7	87.8	146.9	84.0	92.2	78.8	97.7	80.6
Dec. 30	107.6	103.5	88.6	73.5	118.4	88.6	141.9	83.8	90.8	78.8	96.1	79.9
1944:												
Jan. 6	109.3	106.9	93.8	76.2	118.9	86.6	144.6	85.6	95.7	78.7	100.2	81.8
Jan. 13	109.2	110.9	94.2	76.4	118.5	88.3	142.4	85.8	93.9	78.9	99.2	81.7

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Jan. 18	118.62	104.73	69.86	26.57
Jan. 17	118.95	105.28	69.80	26.78
Jan. 15	118.86	104.35	69.58	26.80
Jan. 14	118.59	103.85	69.44	26.31
Jan. 13	118.93	102.51	69.32	26.95
Jan. 12	119.05	103.97	69.40	27.03
Month ago	117.36	96.75	68.08	26.33
Year ago	103.02	75.28	67.10	20.18
High 1943-4	124.66	105.28	76.40	28.61
Low 1943-4	96.88	70.64	63.57	18.14

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Jan. 18	54.7	77.0	69.6	132.78	79.81
Jan. 17	54.8	77.3	69.8	135.12	79.42
Jan. 15	55.0	76.9	69.6	131.79	79.14
Jan. 14	55.0	76.6	69.4	129.08	78.51
Jan. 13	55.3	76.6	69.5	127.48	78.31
Jan. 12	55.5	76.3	69.4	127.69	77.54
Month ago	52.7	74.5	67.2	114.50	71.26
Year ago	54.7	66.7	62.7	79.57	55.00
High 1943-4	63.5	82.4	75.9	135.12	79.81
Low 1943-4	51.8	63.4	59.5	74.07	49.16

Freight Car Crisis Hits Grain

Big Demand But Transport Congested

From Our Own Correspondent

WINNIPEG.—Transportation continues to be the big problem in handling western grain. The demand is here but not sufficient freight cars. The immediate difficulty for the Canadian Wheat Board is to get enough wheat into terminal elevators at the lakehead to supply cargoes for lake vessels during the early period of navigation next spring.

Stocks were down to less than 10 million bushels when navigation closed in December. It is hoped to build them up to 80 million during the winter. That can only be done at the expense of shipments of oats and barley for which there is a standing outlet in the United States.

* * *

East Supplied

Former worry about the supply of oats and barley for eastern Canada has disappeared for the present. Stocks which have been accumulated in the East are greater than immediately required, and appear to be sufficient to guard against emergencies which may occur during the winter. In fact, buyers in the East, now that there seems to be assurance against an early shortage, are not taking delivery of feed grains as rapidly as formerly, and there has been some delay in finding accommodation for oats and barley, cars of which have occasionally been held under demurrage at destinations in Ontario and Quebec, awaiting opportunities for unloading.

* * *

Concentrate

At present cars for loading wheat are being concentrated in western Saskatchewan and Alberta. This is to equalize opportunities for delivery by farmers in those areas, and to compensate them for the fact that their deliveries had to be suspended during the late fall months, when shipments had to be rushed from more easterly loading points in order to get enough wheat to the lakehead before navigation closed.

* * *

At Vancouver

Lately heavy shipments of wheat have been made out of terminal elevators at Vancouver. The bulk of this wheat has been for the United States, purchased by the Commodity Credit Corporation for feeding purposes. The trade at Vancouver thinks that there will be loadings for Russia, and also that merchant vessels newly built on the Pacific Coast will carry heavy cargoes to Europe. It was at first thought that Alberta country elevators would be afforded considerable relief from congestion by the opportunity to ship to Vancouver to fill up space made empty by these shipments. Some cars have been ordered westbound, but it now appears that the demand for wheat at the lakehead will be so insistent that comparatively few will be spared for the westbound movement.

* * *

In U. S. Cars

Heavy loadings are in progress of railway cars supplied by railways in the United States for movement of wheat direct from western country elevators all rail to destinations south of the line. Canadian cars are not used for this purpose.

This allocation of cars, expected to reach 200 per day, has been causing some trouble in the United States. The Interstate Commerce Committee of the Senate was told on Saturday by counsel for the American Association of Railroads that there was no legal authority for an order which had been contemplated by the Interstate Commerce Commission to compel the railways to provide cars to be sent out of the country. The railroads, it was suggested, would take care of the movement adequately, but should not be hampered by orders interfering with their plans to operate efficiently.

Say Our Wheat Needed

Especially interesting to Canada was the statement by Marvin Jones, War Food Administrator, that the flow of Canadian wheat was necessary, and that without it curtailment or stoppage of allocation of wheat for livestock feeding would become necessary. Evidently there is fear in the United States that if supplies from Canada are not secured promptly, and put to use, demands from Russia and other countries will later make it impossible to obtain enough grain to keep up the livestock programme in the United States. Also it is clear that authorities in Washington do not expect that lake transportation will be sufficient in 1944, without substantial relief from the railroads, to provide sufficient supplies during the summer.

* * *

Put in Bags

An interesting sidelight on ocean transportation of wheat is afforded by a despatch from Chicago to the effect that certain seaboard terminal elevators are to be taken over by the U. S. Government, to be operated by military personnel, for loading of grain in bags. The standard method of transporting grain by sea from this continent is to ship it in bulk. In Great Britain, and it used to be the case also at continental ports, the practice is to load it into sacks as it is discharged from the vessel, as overseas bulk transportation of grain is practically unknown. With transportation and port facilities disorganized, it may become necessary to sack a good deal of grain on this side.

Dividends Declared

	This payment $	Date payable	Date of record
Alum. of Can., p.	1.25	Feb. 1	Jan. 5
Atlas Steels	.15	Feb. 1	Jan. 16
Ang. Tele. pfd.	.68‡	Feb. 1	Jan. 11
Ault & Wiborg, p.	1.37½	Feb. 1	Jan. 15
Bank of Montreal	1.50	Mar. 1	Jan. 31
B.C. Tele. 2nd pfd.	1.50	Feb. 1	Jan. 17
Bank of Toronto	2.50	Mar. 1	Feb. 15
Belding Cort., c.	‡2	Mar. 1	Jan. 31
Blue Ribbon, pfd.	.62½	Feb. 1	Jan. 22
Bathurst Pwr. "A"	.25	Mar. 1	Jan. 28
Caldwell Linen	.25	Feb. 1	Jan. 15
Do., 1st pref.	.38	Feb. 1	Jan. 15
Do., 2nd pref.	.20	Feb. 1	Jan. 15
Capital Trust	1.50	Mar. 1	Dec. 31
Calgary Power, pfd.	1.50	Feb. 1	Jan. 10
Canada Starch, pf.	*3.50	Feb. 15	Feb. 8
Can. South. Rly.	1.50	Feb. 1	Dec. 28
Can. Breweries, pfd.	.85	Apr. 1	Feb. 15
Can. Investors	.10	Feb. 1	Jan. 5
Can. Bk. Commerce	1.50	Feb. 1	Dec. 31
Can. Pac. Rly., pfd.	2%	Feb. 1	Dec. 31
Can. Nor. Power	*.15	Jan. 25	Dec. 20
Can. Investors	.10	Feb. 1	Jan. 5
Can. Bronze	.37½+.50	Feb. 1	Jan. 10
Do., pref.	1.25	Feb. 1	Jan. 10
Can. Cel. inc. fd. rts.	1	Mar. 15	Dec. 31
Can. Converters	.50	Jan. 31	Dec. 15
Can. & For. Secs.	.06	Feb. 1	Jan. 17
Can. Food Prod.	.50	Apr. 1	Feb. 29
Commoil	.00½	Feb. 25	Feb. 4
Continental Life	1.40	Jan. 15	Jan. 14
Crown Cork	.50	Feb. 15	Jan. 19
Can. Invest. Fund	.04	Feb. 1	Jan. 15
Canadian Oil, c.	.25	Feb. 15	Feb. 1
Dairy Corp. pfd.	1.25	Apr. 1	Mar. 1
Dom. Ang. Inv., pfd.	1.25	Mar. 1	Feb. 15
Dominion Bridge	.30	Feb. 25	Jan. 31
Dom. Fabrics	.20	Feb. 1	Jan. 15
Do., 1st pref.	.75	Feb. 1	Jan. 15
Do., 2nd pref.	.37½	Feb. 1	Jan. 15
Dominion Tar, pf.	1.37½	Feb. 1	Jan. 3
Dom. Oilcloth	.30+.10	Jan. 28	Dec. 27
Distill.-Seag., pfd.	†1.25	Feb. 1	Jan. 15
Dome Mines	*.40	Jan. 29	Dec. 30
Dominion Bank	2	Feb. 1	Jan. 15
Dom. Envelope, c.	.10	June 1	May 20
Do.	.10	Dec. 1	Nov. 20
Eastern Steel	.25	Mar. 1	Feb. 12
Federated Pete.	.01	Feb. 21	Jan. 31
Foundation Co.	.35	Jan. 21	Dec. 31
Gen. Steel Wares, p.	1.75	Feb. 1	Jan. 13
Gordon & Belyea A	2	Feb. 1	Jan. 21
Do. (B)	.40	Feb. 1	Jan. 21
Granby El. Web., pf.	.60	Feb. 1	Jan. 15
Hyd. Elec. Secs., pf.	.25	Feb. 1	Dec. 30
Imperial Bank	2	Feb. 1	Dec. 31
Int. Metal pf. A pf.	1.50	Feb. 1	Jan. 10
Intern. Nickel, pfd.	†1.75	Feb. 1	Jan. 3
Inter. Util. pr. pfd.	†.87½	Feb. 1	Jan. 21
Laura Secord	.20	Mar. 1	Feb. 1
Lamaque Gold	.10	Feb. 1	Dec. 31
Leitch Gold	.02	Feb. 15	Jan. 31
Loblaw Groc. Inc.	†.15	Feb. 25	Feb. 11
McColl Fron. c.	.15	Jan. 31	Dec. 31
Mtl. L. H. Pr.	.38	Jan. 31	Dec. 31
Nor. Ont. Pwr.	.12	Jan. 25	Dec. 31
Do., pref.	1.50	Jan. 25	Dec. 31
Ogilvie Flour, c.	.25	Apr. 1	Feb. 25
Do., pref.	1.75	Mar. 1	Jan. 28
Ont. Steel Prod.	.25	Feb. 15	Jan. 15
Do., pref.	1.75	Feb. 15	Jan. 15
O'Brien Gold	.04	Jan. 29	Jan. 3
Ont. Silknit, fd. rts.	1	Jan. 25	Dec. 31
Penmans	.75	Feb. 15	Jan. 17
Do., pref.	1.50	Feb. 1	Jan. 17
Privateer Mine	.01	Feb. 10	Jan. 25
Quebec Power	.25	Feb. 25	Jan. 25
Royal Bank	1.50	Mar. 1	Jan. 31
Royal Trust	.80	Feb. 1	Jan. 20
Rolland Paper	.15	Feb. 15	Feb. 5
Do., pref.	1.50	Mar. 1	Feb. 15
Saguenay Pwr. p.	1.37½	Feb. 1	Jan. 17
Silbak Premier	.02	Jan. 25	Dec. 24
Shawinigan W. Pr.	.23	Feb. 25	Jan. 18
Sigma Gold	*.30	Jan. 28	Dec. 28
South. Can. Pwr., c.	.20	Feb. 15	Jan. 20
Slater, N.	.30	Feb. 1	Jan. 15
Sherwin Wms., c.	.15	Feb. 1	Jan. 10
Sherwin Wms, pd.	1.75	Apr. 1	Mar. 10
Simpsons, pf.	1.62½	Feb. 1	Jan. 15
Do., arrears	2	Feb. 1	Jan. 15
St. Law. Flour	.35	Feb. 1	Dec. 31
Do., pref.	1.75	Feb. 1	Dec. 31
Steel of Can.	.75	Feb. 1	Jan. 7
Do., pref.	.75	Feb. 1	Jan. 7
Toburn Gold	.01	Feb. 22	Jan. 22
Teck Hughes G.	.10	Feb. 1	Dec. 31
United Corp., A	.38	Feb. 15	Jan. 15
Unit. Distillers	.10	Jan. 25	Jan. 13
Walker-Good.	1	Mar. 15	Feb. 11
Do., pref.	.25	Mar. 15	Feb. 11
Weston, Geo., pfd.	1.25	Feb. 1	Jan. 8
Wood, Alex. J. pf.	1.75	Feb. 1	Jan. 15
Zeller's	.20+.20	Feb. 1	Jan. 15
Do., pref.	.37½	Feb. 1	Jan. 15

*Subject to approval of Foreign Exchange Control Board.
† Payable in N. Y. funds.
‡Extra.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 226

NOTICE is hereby given that a dividend of one and one-half per cent (being at the rate of six per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Wednesday, the first day of March next, to shareholders of record at the close of business on the 31st day of January, 1944.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., January 11, 1944.

The Dominion Bank

Dividend No. 245

Notice is hereby given that a dividend of two per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st January, 1944. The dividend will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the first day of February, 1944, to shareholders of record of the 15th January, 1944.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 9th December, 1943.

The John Bertram & Sons Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 15c. per share and an extra 5c. per share has been declared on the outstanding common stock of the Company, payable February 15th, to shareholders on record January 31st, 1944.

By order of the Board.

J. T. ROSS,
Secretary.

Dundas, Ontario, January 17th, 1944.

Blue Ribbon Corporation Limited

Notice is hereby given that a dividend of sixty-two and a half cents (62½c) per share on the Preferred Shares of the Company has been declared payable on and after the first day of February, 1944, to holders of record at the close of business on the 22nd day of January, 1944.

DATED AT TORONTO this 12th day of January, 1944.

D. W. LAVERTY,
Secretary-treasurer.

Belding-Corticelli Limited

NOTICE OF COMMON STOCK EXTRA DIVIDEND

An extra dividend of two per cent (2%) has been declared on the Common Stock of this Company, for the year ended November 30th, 1943.

The above dividend is payable on the 1st day of March, 1944, to Shareholders of record at the close of business the 31st day of January, 1944.

By Order of the Board,

D. F. POLLOCK,
Secretary.

WE WILL BUY
Alexandra Apts. 3's
Godfrey Realty 4's
Empire Life
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

THIRD TERM

Cecil Lamont, of the North-West Line Elevators Association, has been re-elected for the third time to chairmanship of the Agricultural Bureau of the Winnipeg Board of Trade.

More Wheat Moving Out Of Vancouver

Waterborne Grain Movement for 1943-44 Already Up Fivefold

From Our Own Correspondent

VANCOUVER. — Wheat movement through the port of Vancouver is gradually increasing, and if a substantial share of Canada's proposed gift of 100,000 tons of wheat to India is routed by the Pacific the traffic will be further augmented.

The waterborne movement of grain through this port during the 1943-44 season is already about five times what it was in the previous crop year.

Exports to the Northwest states and California for feed already aggregate more than 5.5 million bushels, and it is expected California requirements will total at least 40 million bushels before the end of this year, with an additional 5.5 million bushels for the Northwest.

Owing to shortage of shipping Pacific coast ports have seen little grain business. Coast elevators have been kept fairly full, but for storage rather than for immediate shipment.

Now that more ships are available more grain will probably move through this port, especially with the tempo of war rising in the Pacific sphere.

U. S. Adopts Alcohol Process of Ontario Paper

Construction of the first commercial alcohol distillery in the U. S. using paper mill waste has been approved by the War Production Board.

Plans will apply a process developed commercially for the first time in North America by the Ontario Paper Co. at its paper mill at Thorold, Ontario. This process converts into ethyl alcohol the waste sulphite liquor discarded in pulp manufacture.

Montreal Trams Sets New Record

MONTREAL. — Montreal Tramways Co. carried approximately one third of all passengers travelling on streetcars and buses in Canada last year.

In the 12 months' period 354.3 million revenue passengers were carried, an increase of 34,961,231 over 1942. In 1939 the company carried 208.9 million revenue passengers, or 145.4 million less than in 1943.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 228

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st January, 1944, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st February next, to shareholders of record at the close of business on the 31st December, 1943. The Transfer Books will not be closed.

By Order of the Board

S. M. WEDD,
General Manager.

Toronto, 23rd December, 1943.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share on the Outstanding No Par Value Shares of this Company has been declared for the Quarter ending 31st January, 1944, payable 25th February, 1944, to Shareholders of record at the close of business on the 31st January, 1944.

By Order of the Board.

F. W. EVENS,
Secretary.

Montreal, Que.,
18th January, 1944.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1944.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of February to Shareholders of record of the 17th day of January, 1944.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 17th day of January, 1944.

By Order of the Board.

C. B. ROBINSON,
Secretary-treasurer.

Montreal,
January 10, 1944.

Canada Source 73% U.S. Needs

Percentage Share of Newsprint Trade in 1943 Largest on Record

From Our Own Correspondent

MONTREAL. — Canada provided United States with 73% of its apparent consumption of 3.7 million tons of newsprint paper in 1943, according to the Newsprint Association of Canada. This is the largest percentage ever reported and compares with 71% and a consumption of 3.8 million tons the year before.

Apparent consumption last year was under that reported for 1941 and 1940, but was up about 4% compared with the 3.5 million tons for 1939.

Aside from Canadian imports, American publishers drew upon domestic mills for 23% of their requirements in 1943, with the balance of 4% coming from Newfoundland. The year previous domestic mills supplied 24% and Newfoundland 5%.

Newspaper advertising linage in 52 key U. S. cities during the first 11 months of 1943 increased 12.8% over the like period in 1939 and was 13% greater than in the first 11 months of 1942.

Stocks Are Lower

Apparent stocks of paper on hand with American publishers at the end of 1943 totalled 454,032 tons, compared with 479,636 tons at the close of November. The current figure is the lowest since July, 1941, and is equivalent to 52 days' supply at present rate of consumption.

In addition to publishers' stocks, North American mills reported 115,550 tons on hand at the end of last month, the lowest for many years past.

Collectively the publishers and mills had 569,582 tons of newsprint paper on hand Jan. 1, a drop of 228,000 tons during the year; in other words, consumption exceeded supply by that amount. It is necessary to go back to Jan., 1937, to find a like figure.

Rise in Unlisteds Is Maintained

The rise in the unlisted industrial stocks continued this week, state Plaxton, McDonnell & Co.

Andian National firmed ½ point at 23¼ to 25.

Anglo-Canadian Telephone preferred advanced 2½ points at 48½ bid.

B. C. Pulp & Paper common up ¾ at 13 to 14¼.

Brown Co. preferred gained 1 point at 35 to 37¾.

Brown Co. common showed a fractional gain at 2.00 to 2.40.

Burns "A" advanced 2¼ points at 11½ to 13.

Burns "B" scored a similar gain at 7½ to 8¾.

Canadian Industries "B" sold at 152—off 2 points.

Capital Trust gained several points at 31 bid.

Empire Life 25% paid showed a similar gain at 10 bid.

Loblaw Inc. off fractionally at 10 to 11.

Minn. & Ont. Paper common firmed 1½ points at 10½ to 11¼.

Provincial Paper preferred firmed reactionally at 102¼ to 103½.

DIVIDEND NOTICES

Belding-Corticelli Limited

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of the Shareholders of Belding-Corticelli Limited, will be held at the Head Office of the Company, 1455 Shearer Street, Montreal, on Wednesday, the 9th day of February, 1944, at 12 o'clock noon for the reception of the Annual Report, the election of Directors, and for the transaction of such other business as may properly come before the meeting.

By Order of the Board,

D. F. POLLOCK,
Secretary.

Anglo-Canadian Telephone Company

CLASS A DIVIDEND NOTICE

NOTICE is hereby given that a dividend of One and One-half per cent (1½%) has been declared on the Class A Stock of the Company, payable March 1, 1944, to Stockholders of record at the close of business on February 10, 1944.

By Order of the Board,

CAMERON HOUGH,
Secretary.

Montreal,
January 4, 1944.

MONTREAL CURB MEMBER

J. Eugene Tessier, C.G.A., for 18 years associated with the firm of Geoffrion and Robert, of which he is now a partner, has been elected a member of the Montreal Curb Market.

Less Currency In Circulation

Note circulation of the Bank of Canada shows a seasonal decline of about $5 millions in the statement for the week ended Jan. 12. The reduction probably is the result of the January lull in business with consequent slackened demand for cash. Total deposits of the bank also are down, the decline occurring in deposits of the Dominion Government and the chartered banks.

With a decline in total liabilities, total assets also were down, investments and miscellaneous assets being lower.

	Jan. 12 1944 $	Jan. 5 1944 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	869,554,820	874,696,878
Rest fund	6,472,953	6,472,953
Deposits: Dom.	39,144,138	50,601,784
Chartered bks.	308,395,563	314,694,498
Other	25,152,112	20,320,122
Total deposits	372,691,813	385,616,404
All other liabs.	21,902,589	22,273,034
Total liabs.	1,275,622,174	1,295,059,269
Assets		
In Sterl. & U. S.	558,336	558,336
Subsid. coin	189,866	166,950
Investments:		
Dom. gov. sh.	786,862,529	795,918,351
Oth. Dom. gov.	472,393,658	472,895,186
Total invest.	1,259,256,187	1,268,813,537
Premises	1,971,407	1,968,499
All other assets	13,646,379	23,551,947
Total assets	1,275,622,175	1,295,059,269

Mining Concentrates

New Malartic Gold Mines is reported to have preparations well advanced for a magnetometer survey of its claims with the reconnaissance expected to be completed in about three weeks.

* * *

San Antonio is reported to have intersected its No. 50 vein 300 ft. below the present bottom 2,400-ft. level.

* * *

Stadacona Rouyn assets will not be put up for sale, it appears. Petition for court authority to order such a sale was "desisted from" by a Toronto petitioner.

* * *

Leitch Gold Mines will pay its regular dividend of 2c. a share on Feb. 15, 1944, to shareholders of record Jan. 31. For a relatively small mine, the company continues to show a marked degree of stability.

* * *

Bidgood Kirkland has located downward extension of its Nos. 12 and 14 veins in diamond drilling from the face of its 1,400-ft. level, with values officially stated to be similar to those obtained on upper levels. Crosscut has about 70 ft. to go to reach the area of the vein and drifting should be under way within a week, it is statd. Crosscutting will be commenced shortly on the bottom 1,525-ft. level. On the 1,150-ft. level, crosscutting to the upward extension of the main No. 12 vein is under way. Some drifting was previously carried out on the vein at this level which was thought to be the main vein but which turned out to be only a branch of the No. 12 vein.

Mining

Prospect Proves A Big Trader

The Prospectors & Developers Association has a new president, diminutive but dynamic Mrs. Viola MacMillan, who has probably been the most active individual in Canada the last few years in fighting for the prospectors.

According to her husband, George MacMillan, who has been president of the Association the last few years, Mrs. MacMillan knows the duties of a president as only one who has lived with him could know.

Mrs. MacMillan, at the recent association dinner in Toronto, didn't make any promises on what specifically she had in mind for prospectors this year but she said that those present could rest assured that the association would be most active in the coming year, extending activities still further.

* * *

Three geological reports and maps covering areas in the East Kirkland Lake, Haliburton and Fort Hope (Patricia) areas have been announced by Hon. Leslie Frost, Ontario Minister of Mines.

Concentration of mine-finding efforts in the East Kirkland Lake-Larder Lake break area has resulted in a great demand for the geological map of Lebel twp. and the report covering Gauthier twp. in this sector.

These publications form part of a new series of maps and reports that will eventually cover the entire Kirkland-Larder gold belt. The westward tracing toward Kirkland Lake of some of the Larder Lake structures are indicated in these particular publications which cover such mining properties as Upper Canada, Queenston, Beaverhouse Lake and many others.

Sorel Industries Ltd. To Build Ferry Boat

Sorel Industries Ltd. has been awarded contract to build an ice-breaking car ferry for service between Prince Edward Island and New Brunswick.

The ferry will replace the S.S. Charlottetown, lost off the Nova Scotian coast in June, 1941, and will be the most powerful ice-breaker of its kind in the world. The Charlottetown was built at Levis, P.Q., 1931, at a cost of $2.8 millions and was 308 ft. long. Cost of the new boat is expected to be at least $4.5 millions.

CPR to Take Part Duluth Reorganization

Canadian Pacific Railway has been granted authority by the Interstate Commerce Commission to become a party to the reorganization proceedings of the Duluth, South Shore and Atlantic Ry., which is a part of the CPR's lines in the United States.

In its petition CPR pointed out it was owner of all bonds outstanding under the Duluth, South Shore and Atlantic's 4% 100-year mortgage to the amount of $15.1 millions, and that over $21 millions are due in unpaid interest on the bonds.

C. H. G. Short, President Lake of Woods Milling

Recent changes in the directorate of the Lake of the Woods Milling Co. resulted in appointment of C. H. G. Short, president. Formerly vice-president and managing director of the firm, Mr. Short will continue the latter duties. He succeeds Brig.-Gen. F. S. Meighen, who has been elected chairman of the board.

Mine Population On the Upgrade

From Our Own Correspondent

MONTREAL.—Return of population in mining communities served by Canada Northern Power Corp. is now on the up grade, according to B. V. Harrison, vice-president and general manager of the company.

This contrasts with the movement away from the gold mining camps, which has prevailed during the past four years.

Mid-Continent Seen Good Well

Geologist J. S. Irwin Reports Results — Test Ellis Sand

With Geologist Joseph S. Irwin expressing the opinion a commercial oilpool has already been established in the Taber sands by the Mid-Continent No. 3 well, drilling is continuing for a test of the underlying Ellis sands, previously the main objective in drilling this well.

If the Ellis sands prove unproductive at this well, it is planned to plug the well back, taking production from the Taber sands.

Altogether the Mid-Continent No. 3 well passed through 40 ft. of Taber sands, starting at 3,226 ft. A test at 3,258 ft. is stated to have shown conclusively that no water was present in the upper 18 ft. of this zone. While some water was present with the oil in a further test of the zone at 3,272 ft., the upper limit of the water has not yet been determined.

From a statement released by Mr. Irwin, it is expected a larger well is assured than the Plains No. 2 which commenced production at 100 bbls. daily.

Mr. Irwin's statement, as supplied to The Financial Post by the company in Toronto, is as follows:

"Mid-Continent No. 3 well had Taber sands at 3,236 ft. to 3,276 ft. with oil saturation from 3,240 to 3,261 ft. or possibly deeper. A drill stem test for one hour at 3,258 ft. showed an inflow of 3½ bbls. of oil and no water. A further test at 3,272 ft. showed some water with oil in lower portion of zone. Upper limit of water not yet determined but definitely known to be below 3,258 ft. Since well No. 3 is an exploratory well, it was considered advisable to determine total thickness and productive possibilities of the Taber sand as well as productive possibilities of the original objective, the underlying Ellis sands to use as a basis for a further development program.

"This is now being done with present depth 3,305 ft. in the Ellis shale with Ellis sand expected momentarily. Since the old Plains No. 2 well after drilling 2 ft. of oil-saturated Taber sand followed by 2 ft. of hard unsaturated sand encountered water and plugged back, leaving only 1½ ft. of oil sand from which 100 bbls. daily rate was initially obtained and from which over 40,000 bbl. were produced with production continuing, it is reasonable to expect Mid-Continent No. 3 can be made to produce several times as much ultimate oil. Since only Ellis sand showed oil in Mid-Continent No. 1, it had been considered main objective in No. 3 will be thoroughly tested. If Ellis sand should prove unsaturated, then plugging back to Taber sand presents no unusual problems and will be proceeded with.

"My opinion is a commercial body of oil has been developed the size of which can only be determined by further drilling which I consider fully warranted."

Mining Options

Allmetal Mines—By agreement of Dec. 30, 1943, a million shares optioned to Alliance Securities as follows: 200,000 shares at 5c. and blocks of 100,000 shares at 6, 7, 8, 9, 10, 11, 12 and 13c. a share, payable 25,000 shares every 30 days. Authorized capital is three million shares with 400,005 shares outstanding.

Da-Kerr-Ad Consolidated Mines—Agreement of Sept. 3, 1943, with Anglo-Northern Securities was terminated, Oct. 25, 1943, a total of 51,000 at 5c. having been taken down. By agreement of Dec. 29, 1943, Donelma Company agreed to purchase 50,000 shares at 5c. a share payable April 30, 1944, and received an option on 950,000 shares at 5 to 10c. a share, all payable by June 30, 1946. Authorized capital is three million shares with 1,051,010 shares outstanding.

Harpers Malartic Gold Mines—By agreement of Nov. 10, 1943, with Clifton C. Cross & Co. which was assigned on Nov. 11, 1943, to W. H. Noble, the latter received an option on 1.5 million shares at 5 to 10c. a share commencing January, 1944. Authorized capital is five million shares with approximately 1,991,277 shares issued.

Redbank Gold Mines—By agreement of Dec. 28, 1943, H. E. Wilkins agreed to purchase 100,000 shares for $7,000, payable forthwith and was granted an option on a further 900,000 shares at 10 to 25c. a share. Authorized capital is three million shares with 1,000,005 shares outstanding.

Ridgegold Porcupine Mines—By agreement of Nov. 22, 1943, 250,000 shares optioned to Mark Daniels & Co. at 10 to 12½c. a share all payable by July 15, 1944. Authorized capital is 3.5 million shares with 1,340,000 shares issued.

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Will Donalda Prove a Big One?

Two New Holes Started in Search for the Answer

By GORDON M. GRANT

Impressive gold values reported for Drill Hole No. 3 of Donalda Mines which apparently makes that x-ray hole one of the richest ever pulled on a gold prospect in Canada, is expected to signal not only a feverish drilling program on that company's ground but on other properties of the area.

Geologists are already digging into old reports to determine what significance the hole possesses for the general area.

It appears that a lot of previously held ideas as to possibilities of ground to the east of Noranda may be radically changed. And it is just possible that the latest discovery to the east of Noranda will be paralleled by new activity along the Horne fault to the west.

Further Results Important

Chief interest for the moment and for some weeks to come, however, seems likely to centre around the immediate Donalda vicinity. From the single No. 3 hole it is impossible to state with certainty the character of gold deposition present, but Mine Manager Stewart Troop suggests to The Financial Post the possibility that No. 3 hole secured values in a great shattered mass rather than in a vein. This "mass" lies between two parallel faults about 1,500 ft. apart which appear to strike in the direction of the Noranda ground although there is too much overburden to trace them that far. Both faults are north of the Horne fault.

Hole No. 3, which is officially reported to have included 89.3 ft. of core averaging $13.30 per ton, found ore at depth of about 400 ft.; the ore zone was entered at footage 772 ft. in the hole and passed out of it again at 893.9 ft. The above values were included along with lost core in the 121.9 ft. of core within the zone. It is understood that a further footage of core, which it is thought may be of ore grade, has been sent for assay but the hole has been temporarily finished after passing through some syenite porphyry. The hole flattened considerably in its later stages. It was drilled a little to the east of north to south.

Start New Holes This Week.

Following completion of new arrangements for water, it was expected that No. 4 hole, sited to cut the zone 100 ft. above No. 3 hole, would be started on Wednesday of this week and that the No. 5 hole, to be put down with a second drill, would be commenced on Thursday. The No. 5 hole will be located 50 ft. west of No. 4 hole. Officials hope these holes will begin unravelling the complete ore picture.

The Donalda find east and a little north of the northeast corner of the Noranda property, and 1,200 ft. away, may conceivably bring exploration of the stretch of approximately a mile between the known ore bodies of the Noranda mine and the new occurrence.

Possibly the Donalda strike, if it can be termed that, may be significant to the Quemont property immediately to the west. In the old days a shaft and underground work were completed on the southern part of this property but some of the ground over to the eastmay warrant a going over again.

Already the Ville Marie Syndicate property, held by the Stewart Troop interests, to the east, is being merged with other recently staked intervening claims, and a new company with a proposed name of Villmar Rouyn is to be formed to carry on development.

The gold-bearing intersection on the Donalda property is located a considerable distance north of the Wiltsey-Coghlan ground to the south and is definitely north of the Horne Fault, one of the chief structural features of the Rouyn area.

There thus appears to be little if any immediate relationship between the Donalda discovery and the Wiltsey property although the new find certainly makes the Wiltsey ground more interesting. One man associated with the Wiltsey says that since they get gold north of the Horne Fault and copper south of it, he feels that reinvestigation of remaining Wiltsey ground is justified. Some interesting geological features were revealed by past work.

A north-of-Noranda property which may receive a new testing if the Donalda find stands up is Joliet Quebec which lies west of the Quemont again. Many thousand feet of diamond drilling has been carried out on various parts of this property the last two decades and a large tonnage of copper-bearing material of close to ore grade was revealed. Cores returned interesting values including 144 ft. averaging 1.09% copper, 121 ft. averaging 1.4% copper and 165 ft. averaging 1.09% copper. It is interesting to note that the core lengths are not unlike the intersection at Donalda.

The Ventures interests are reported to have been adding recently to their extensive acreage south of Waite Amulet Mines and there is a possibility that this ground may receive a new going over. The Waite Amulet-Lake Dufault drilling has already given a new interpretation of the geology of that sector.

West and southwest of Noranda, the Horne Fault is blanketed by the undeveloped properties of Waite Amulet Mines and Horne Fault Mines. Exploration has been carried out fairly recently on the property of Horne Fault Mines, by the Ventures interests but without important result.

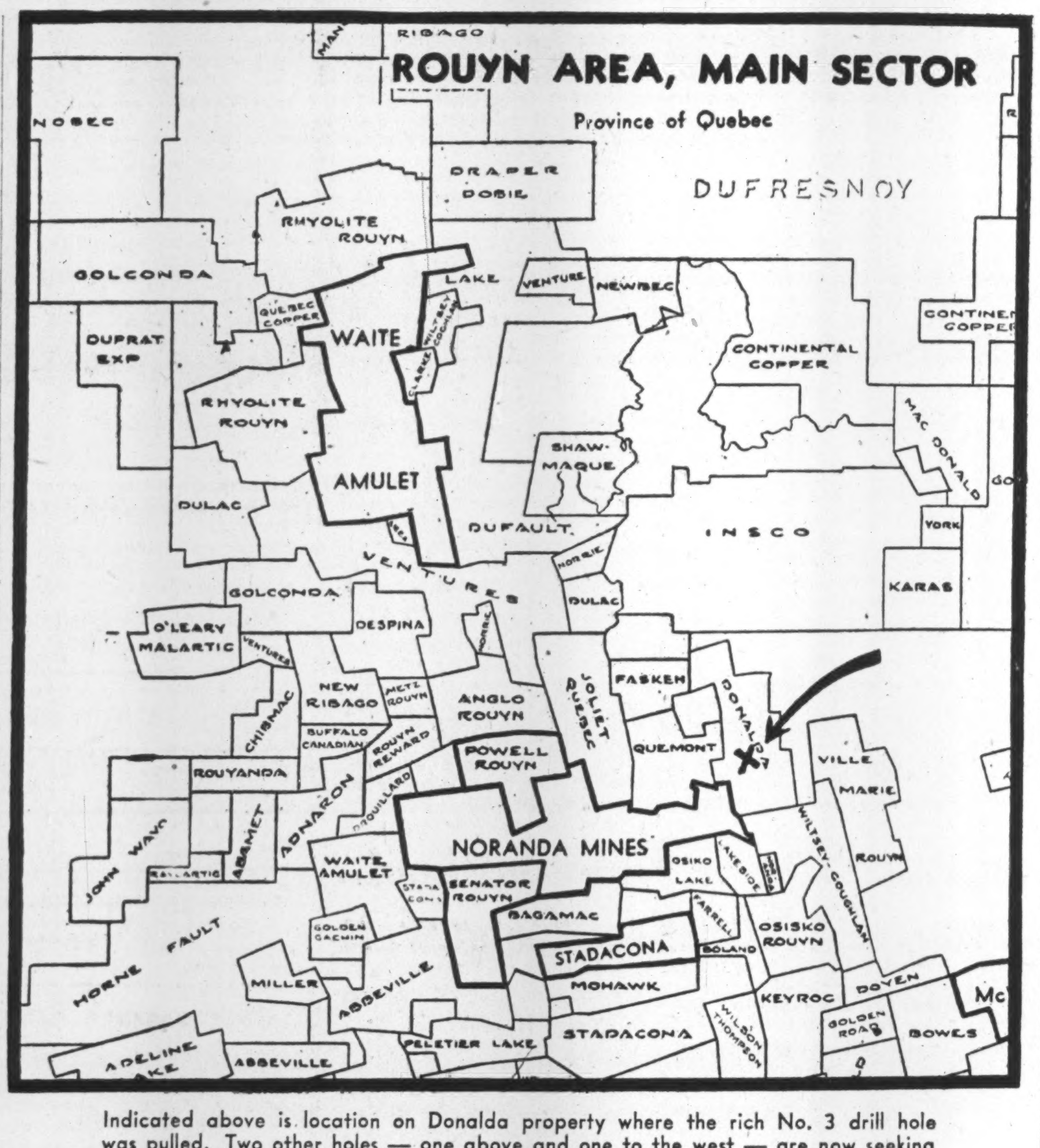
With so many deposits in the immediate Noranda vicinity — Powell, Senator and Stadacona — not directly on the fault zone, it appears that considerable ground worth investigation may still be available on either the Horne Fault-Waite Amulet section or adjacent.

Ore bodies occur under a number of varying conditions in Rouyn and despite the intensive work carried out at different times, many ore bets unquestionably remain.

In the Noranda mine, plum-shaped ore bodies often provide the bulk of the ore. Mines like the Powell and Senator secure their values from vein-type occurrences.

The main ore body in the Waite Amulet district can best be described as a "pancake" occurrence due to its flat-lying character.

But much now depends on what the drills show in further holes at Donalda. If the first hole does not prove to be a freak important things may lie ahead. Engineers who have looked over the core are reported to have expressed the view that such gold values over such a great length would hardly suggest a freak hole.



Indicated above is location on Donalda property where the rich No. 3 drill hole was pulled. Two other holes — one above and one to the west — are now seeking extensions of the No. 3 hole gold values.

New Ranchmen's Fishes for Lost Pipe

New Ranchmen's Snider No. 1 at Aldersyde halted coring Jan. 10 at 7,752 ft., after encountering varying oil saturation with evidence of gas from 7,670 ft., reamed out to bottom, and commencing running in drill-pipe for a formation test Jan. 11. Presumably due to a faulty joint or stand of pipe, one stand collapsed and resulted loss of some 2,700 ft. of pipe at well bottom. Fishing operations are now in progress.

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Oil Production

Big Block to Get Test in Hutton Sector

From Our Own Correspondent

CALGARY.—Two majors and four independent groups have joined forces to test a 30,000-acre block in the Hutton area, on the south Alberta plains 90 miles east of Calgary. Initial well, to be known as Riley-Lloyd No. 1, has been staked in the centre of L.S.D. 16 5-23-14w4. Ground elevation is 2,308 ft.

Madison lime is looked for about 3,350 ft., with potential oil and gas zones in the sands immediately above as well as in the lime itself. Initial well will be drilled by contractor General Petroleums, using light rotary.

Backers of the well are: A. H. Mayland, British American Oil Co., Dominion Oil Co., Steveville Oil Co. (backed by Anglo-Canadian Oil Co.) and General Petroleums.

These well backers will divide on basis of participation half of the 30,000-acre block. The remaining half of the acreage goes to the Riley-Lloyd Syndicate, original owner of much of the reservations involved, and to others interested in the property.

The block, covering the bulk of twps. 22 and 23 range 14w4, has been checkerboarded into quarter sections for sharing among the participating groups. (The initial well is located about 23 miles northwest of the Dominion Oil Princess- Stevevills tests.)

* * *

Plan Aerial Survey

A group of major oil companies, led by Imperial Oil and Shell Oil of Canada, intend to make a complete aerial photographic survey of the Alberta foothills belt this summer. The survey will extend from the Montana border to the British Columbia boundary south of Pouce Coupe, and will cover in all about 15,000 square miles. Total cost of the project is estimated at up to $75,000.

There has been a fair amount of aerial photographic work done by the Dominion Government and by private companies in the foothills belt in the past, but the coming survey will be the most complete reconnaissance of its kind, and will cover the entire foothills region. It will provide valuable data for use in locating potential oil and gas structures for future drilling.

* * *

Dominion's Taber Well

Starting the New Year right, the Dominion Oil Co.-Nassau Explorations team has brought in a very promising well at its first 1944 completion. The team's first well for the year, Taber-C.P.R. No. 11-19B, cored into the top of the Taber sand on Jan. 8, at 3,137 ft., encountering 33 ft. of the oil saturated sand as coring completed at the 3,170-ft. level.

A drill-stem test was made following completion of drilling, and crude oil rose 1,680 ft., in one hour. The oil sand thickness and apparent volume of oil indicated are comparable to conditions at Taber-Province No. 18-18B, quarter of a mile to the south. This well swabbed at rates as high as 559 bbl. daily in brief tests following completion early in December, and on pumping test last week, produced 1,443 bbl. of clean oil in 85 hours, a yield apparently below the full potential due to limitations of the pump unit.

Pending establishment of a potential after the well has been placed on pump, it is estimated that the No. 11-19B will likely be good for 400 bbl. daily or more on initial runs.

* * *

Drill Further Well

Location was announced last week end for another Taber-Province test in the Dominion Oil-Nassau Explorations program. This well is to be drilled immediately, using the rig from the Taber-C.P.R. No. 11-19B. Can-Tex drilling Co. will have the drilling contract. The new site is quarter of a mile due east of the No. 11-19B well, and about three eighths of a mile northeast of the big Taber-Province No. 17-18B producer.

Sylvanite Net 20c For 1943

Need Seen For Further Development When Conditions Permit

An estimated profit of 20c. a share was realized by Sylvanite Gold Mines for 1943 with dividend payments for the year totalling 12c. a share, according to statement accompanying current dividend cheques.

In 1942 profits equalled 21.8c. a share.

Because of the manpower shortage it has been impossible to maintain the usual amount of development and exploration work, but tonnage has been maintained at about 400 tons daily, as against 600 tons normally.

The company, states E. L. Koons, president, is in a strong cash position and will be well able to take care of expanded exploration and development work, which will be necessary after the war to make up for the deficiency of such work during the war period. The company is claiming an allowance for the cost of such deferred works, but to date the tax authorities have not recognized "this obviously reasonable and necessary reserve," Mr. Koons states.

Island Mountain Mines has shown a slight improvement in production. Output for December was $32,067 from 1,732 tons of ore compared with $29,299 from 1,653 tons the previous month.

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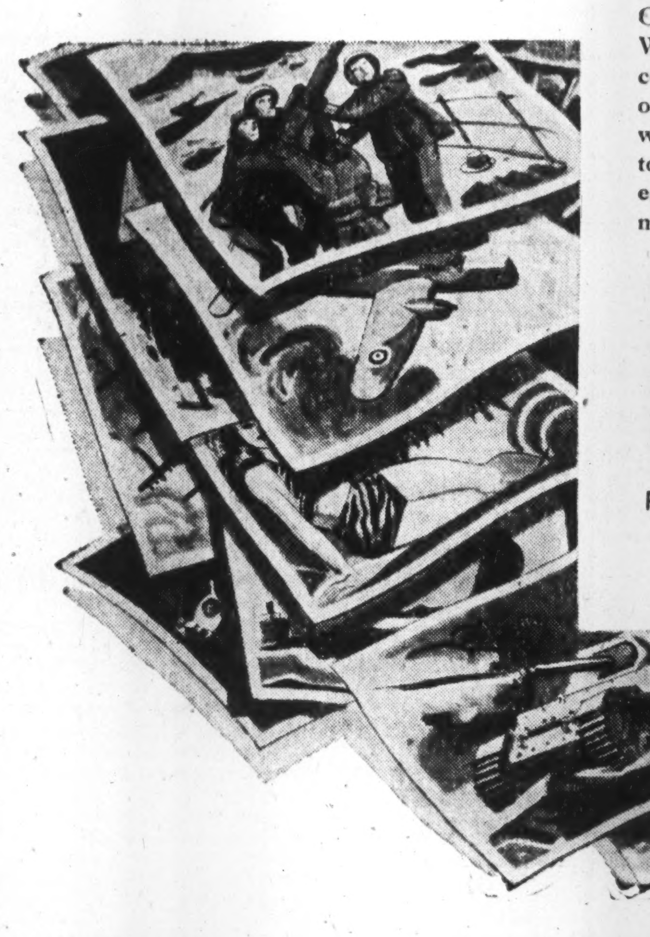

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Unigo Mines is reported to have staked 48 claims in two groups in Vauquelin twp., northwestern Quebec. This brings Unigo holdings to 147 claims covering approximately 6,030 acres in nine groups, it is stated.

Duquesne Mining Co. announces completion of an agreement with Haut Mining and Development Co. on Jan. 11, 1944, by which 10,000 shares were sold at 10c. a share with options granted on a further 310,000 shares at 10 to 25c. a share.

CANADA CEMENT COMPANY LIMITED

AND SUBSIDIARY COMPANIES

Annual Report of the Board of Directors

TO THE SHAREHOLDERS:

Your Directors beg to present herewith the sixteenth Annual Statement of the affairs and financial position of your Company as at November 30th, 1943.

Net earnings after providing for depreciation and income taxes amounted to $949,072.04 compared with $1,412,726.62 in the preceding year. After adding back to net earnings of 1942 the refundable portion of Excess Profits Tax, the decrease is $610,654.58.

Dividends paid during the year amounted to $5.00 per share at the rate of $1.25 per quarter on the 6½% Preference shares. Earnings on the Preference shares amounted to $4.72 per share. The difference was made up from surplus.

The volume of business during the year was on the whole somewhat better than was anticipated due to certain developments in Alberta and British Columbia in connection with war contracts. In Ontario, Quebec and the Maritimes, where the bulk of our business is usually done, the volume dropped 29.4% from the previous year. Total business including export was down 21.5%.

Cost of production continued to increase, particularly in those items over which the Company has no control, such as coal, gypsum and repair materials.

At the beginning of the year, inventory of cement on hand was very low. As production of cement during the year just closed was very much higher than the volume shipped, cement inventory has now been brought back to normal.

The liquid position of the Company remains good but it should be pointed out that during the war years quite a large amount of capital expenditures and extraordinary repairs has been deferred. As soon as labour and materials are available the work in connection with these delayed items will need to be undertaken, and it may be necessary to draw on the liquid assets to finance them.

Distribution of your product was somewhat less complicated than during the previous year, although the Company still suffered from its inability to operate its boats in the usual channels, and from the fact that a considerable percentage of the business in Western Canada was out of the normal territory served by its plants.

The demand for your product is still downward and it is not anticipated that any material change in this trend will take place during the period of hostilities unless the present building restrictions should be lifted. The Company's estimates show that less cement will be consumed in Canada in 1944 than in 1943.

Respectfully submitted on behalf of the Board of Directors.

J. D. JOHNSON,
President.

CONSOLIDATED BALANCE SHEET, NOVEMBER 30, 1943

ASSETS

CURRENT ASSETS:			
Inventories of Cement, Materials and Supplies as determined and certified by the Management and valued at or below cost, which is below market		$ 2,222,911.93	
Accounts Receivable (less Bad Debts Reserve)—			
Customers' Accounts	$ 677,923.74		
Other Accounts	35,189.98	713,113.72	
Government Bonds (Market Value $..463,137.50)		4,434.573.90	
Cash		1,498,744.27	$ 8,869,343.82
INVESTMENT IN COMPANY'S OWN BONDS, AT PAR			93,500.00
REFUNDABLE PORTION OF EXCESS PROFITS TAX			157,000.00
UNEXPIRED INSURANCE, PREPAID TAXES AND OTHER PREPAID EXPENSES			62,440.60
BOND REFUNDING EXPENSE (less amounts written off)			330,000.00
PROPERTY ACCOUNT:			
Land, Buildings, Plant and Equipment, etc. (as appraised by Messrs. Ford, Bacon & Davis, Inc., on the basis of commercial value at September 30, 1927, $38,267,500.00) and the Canada Cement Building at cost; with subsequent additions at cost and after deducting Depreciation Reserves of $23,384,702.81			33,886,489.77
			$43,948,774.19

LIABILITIES

CURRENT LIABILITIES:			
Accounts Payable		$ 485,775.02	
Bond Interest Accrued		37,187.50	
Preference Dividend declared of $1.25 per share, payable December 20, 1943		251,086.25	
Government and other taxes		383,411.36	$ 1,157,460.13
FIRST MORTGAGE BONDS:			
Authorized		$20,000,000.00	
Issued Series "A"		$16,500,000.00	
Outstanding— 4¼% Sinking Fund Bonds due 1951			10,500,000.00
MORTGAGE ON CANADA CEMENT BUILDING:			
Repayable in semi-annual instalments and balance due in 1948			445,000.00
RESERVES:			
Fire Insurance		$ 750,000.00	
Extraordinary Repairs and Renewals		350,000.00	
Industrial Accidents		57,100.00	
Contingent Reserve		400,000.00	1,557,100.00
PREFERENCE SHARES REDEMPTION RESERVE			55,900.00
PREFERENCE SHARES—6½% SINKING FUND CUMULATIVE SHARES OF $100.00 EACH, REDEEMABLE ON SIXTY DAYS' NOTICE:			
Authorized (of which $21,000,000.00 has been issued)		$25,000,000.00	
Outstanding			20,086,900.00
NOTE—Dividends are in arrears $37.25 per share.			
COMMON SHARES:			
600,000 Shares of No Par Value out of an authorized issue of 750,000 Shares			6,403,904.75
EARNED SURPLUS:			
Profit from Operations after providing $1,750,000.00 for Depreciation, but before deducting the undernoted items		$ 2,358,403.82	
Executive Remuneration	$ 91,110.00		
Directors' Fees	10,720.00		
Legal Expenses	2,323.14	104,153.14	
		$ 2,254,250.68	
Add: Income from Investments		71,405.01	
		$ 2,325,655.69	
Deduct:			
Bond Interest (net)	$ 442,283.65		
Mortgage Interest	19,300.00		
Contribution to Pension Fund	100,000.00		
Proportion of Bond Refunding Expense	110,000.00		
Provision for Income and Excess Profit Taxes	705,000.00	1,376,583.65	
		$ 949,072.04	
Earned Surplus, November 30, 1942		3,640,782.27	
		$ 4,589,854.31	
Deduct: Dividends on Preference Shares at $5.00 per share		1,004,345.00	
Earned Surplus, November 30, 1943		$ 3,585,509.31	
DEFERRED SURPLUS:			
Refundable portion of Excess Profits Tax		157,000.00	3,742,509.31
			$43,948,774.19

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Canada Cement Company Limited and its Subsidiary Companies for the year ending November 30, 1943, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of Canada Cement Company Limited and its Subsidiary Companies at November 30, 1943, and that the Statement of Profit and Loss correctly sets forth the result of their combined operations, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO., Auditors.
Montreal, January 3, 1944.

Approved on behalf of the Board:
J. D. JOHNSON, Director.
F. B. KILBOURN, Director.

Your Personal Income Tax

Molyneux L. Gordon Warns Against Expensive Pitfalls When Incorporating Private Companies With Accumulated Profits

By MOLYNEUX L. GORDON

Article No. 7—How to Incorporate a Company

If you incorporate a company to carry on your business, the company pays a tax on its profits and when those profits are divided amongst the shareholders they pay an individual tax on what they receive.

Many plans were adopted to enable companies to convert accumulated profits into capital and distribute the same amongst the shareholders free of tax. In one case* the English courts held that if a company went into bankruptcy and the liquidator distributed the assets amongst the shareholders this was a division of capital and consequently the shareholders were not subject to tax. In another case the House of Lords decided that if a company capitalized the profits and issued bonds or other securities to the shareholders no tax was payable.

In Canada the Act has been amended to prevent such practices, and similar legislation has been passed in England and in most of the other Dominions. As a result a great many cases have been before the Courts. The government usually wins but in quite a respectable percentage the decision has been in favor of the taxpayer.

A taxpayer would be unwise to try this sort of thing in Canada, because section 32 (a) provides that if it appears to the Treasury Board that any benefit has been received by a shareholder from a company having undistributed income on hand the Board may find that the main purpose of the transaction was to avoid taxation and it shall thereupon be deemed that the shareholder has received income subject to tax. In such cases it is easy to argue that the main purpose of the transaction was to provide moneys to meet some unexpected emergency, but if the transaction actually results in saving a substantial amount of tax it is not likely that arguments of this kind will succeed. The penalties are so severe that the game is not worth the candle, because if a taxpayer controls a company which has on hand $500,000 of undistributed income and the company is reorganized so that the profits may be withdrawn as capital the Board is almost certain to investigate and if the case goes against the taxpayer he will have to pay a tax which under the present rates might come to approximately $470,000.

Undistributed Income

The amendments to the Canadian Act deal with two matters which in some cases have nothing to do with undistributed income.

If a company which has undistributed income on hand sets up a reserve for depreciation or makes a profit on sale of a capital asset you are not permitted to divide the amount without payment of a tax on the undistributed income. In other words, if you control a company with a capital of $100,000 which has earned $100,000 which has been put back into plant and this company is able to sell its business for $300,000 you cannot divide the capital profit of $100,000 until you have paid tax on the accumulated earnings.

The statute also provides that if a company, which has on hand undistributed profits, converts shares of one class into shares of another class a tax, which is usually pretty heavy, may be levied on the shareholders.

If you incorporate a new company you have a right to do as you please and the new company may issue any kind of securities which the Companies Act permits, but look ahead and keep in mind that your business may prosper and the new company may find it necessary to raise money for expansion. Arrange matters so that it will not be necessary to change the capital structure after you have commenced business, because if you make such changes it may prove expensive. If you are compelled to make a change be sure to discuss the matter with the Income Tax Department first in order that you may satisfy yourself that you are not proposing to do something which will render you liable to pay an excessive amount of tax.

"The Wisest Thing to Do"

If you own your own business and desire to incorporate the wisest thing to do is to sell the business for cash payable by installments, then whenever you want the money you can draw it out and will only have to pay a personal tax on the interest and you do not have to worry about undistributed profits subject to tax. The company may deduct the interest from its profits.

In several cases† where no interest was charged the Court analyzed the payments and decided that part of it was interest and taxable accordingly. In 1942 the Act was amended to cover such situations. If the company charges up depreciation the amount may be applied in payment of the debt and in a few years you have your capital back and the company will have the property. In other words, if you sell your business to a company for $100,000 and the company is permitted to deduct $5,000 per annum for depreciation this money may be applied on the purchase price.

Under the present state of the law there is no objection to accepting bonds or redeemable preferred stock in payment of the property which you transferred to the new company, but it is quite possible that the law may change, and, therefore, you are safer to sell for cash. If you do take bonds or preferred stock, study the statute carefully because the provisions in regard to the taxation of bonds are different from those covering the taxation of preferred shares.

Under section 16 (2) certain kinds of preferred shares may be redeemed without payment of tax, and if your company issues preferred shares it is wise to see that they comply with this section. If the company redeems shares at a premium the shareholder is taxed on the premium. On the other hand, with the exception of section 6 (k) which deals with income bonds, there is practically nothing in the statute which levies any special tax on bonds and if a company issues bonds they may be sold at a discount or redeemed at a premium, and neither the company nor the shareholder will have to pay any tax. This does not mean that you will be justified in selling bonds at a discount of 75% or redeem them at an excessive premium, because if you do either of these things you will be sure to get into trouble. A most interesting case‡ on bond interest was decided in England last July. Lord Greene, the Master of the Rolls, points out that if you want to invest your money so as to obtain a return of 5% you can either buy 4% bonds, which you can probably get for around 92, or 5% bonds at par, or 6% bonds which might cost 108. If these bonds mature in 10 years the return on the investment would be practically the same, but in the third case the owner would pay 50% more tax than in the first, and it is a matter which it is well to keep in mind when considering the terms of any proposed issue.

Be careful about valuations, because it frequently happens that the market value of the property you propose to transfer is considerably more than the book value, because book value is cost less depreciation. If you retain control of the company and write up the value of the assets it is not likely that the Minister will recognize the increase and permit an additional allowance for depreciation; and there are many other ways in which you can get into trouble.

If you intend to manage a new company, be sure to arrange that you receive as large a salary as the law will permit. In most cases you cannot increase your salary without the permission of the Minister, and you will probably find it easier to arrange for an adequate salary in the first instance than to arrange for an increase later on.

* Commissioners v. Burrell (1924) 2 K.B. 52.
† Scoble v. Secretary of State for India (1903) A.C. 299.
‡ Lomax v. Peter Dixon & Son, Ltd. (1943) 1 K.B. 671.

Postwar Buying Trend Outlined in Survey

The U. S. Chamber of Commerce has recently completed a survey of postwar consumer buying intentions in the United States. One of the important features of the survey is that it has been carried through on a family basis, and the recent figures give a clear indication of what percentage of American families intend to purchase specific commodities. The report on results carried by the Journal of Commerce, New York, is quoted here for its interest to Canadian business:

Of the country's 35 million families, almost two thirds of the total, or 64%, name one or more purchases they almost certainly would make if the war were to end tomorrow—things they have found impossible or difficult to get with war in progress.

Intentions to Buy

The survey covers particularly consumer buying intent with respect to automobiles, homes, home furnishings, home improvements and the like. Breaking down the figure of 64% who express an intention generally to buy, the tables below set up percentages of families intending to buy particular things in the fields covered by the survey.

Automobiles — 10.5% families intend to buy automobiles.

House Appliance Field — 7.5% families intend to buy mechanical refrigerators; 6.0% washing machines; 4.7% stoves; 4.0% families intend to buy vacuum cleaners; 7.3%, radios; 2.4%, sewing machines; 4.3%, electric irons; 3.1%, electric kitchen mixers.

Home Furnishings—3.9% families intend to buy living room furniture; 1.9%, dining room furniture; 3.9%, bed room furniture; 4.5%, rugs and carpets; 4.2%, linoleum.

Home Building Plans

Home Building—4.4% families intend to build, or buy a new home within six months after the war is over; 23% say they will spend $3,000, or less; 27% say $3,001 to $5,000; 18% say $5,001 to $10,000; 12% say more than 10,000; 20% are not certain how much they will spend.

Thirty-nine per cent of the home owners in America say if the war ended tomorrow, they would almost certainly make some sort of improvements or repairs in their properties within six months.

Home Repairs—18.4% families intend to paint houses outside; 7.3% to put on new roofing; 5.3% to decorate interior; 3.1% to modernize kitchen; 4.5% to add rooms; 3.3: to add new bathroms; 2.7% to add new porches; 5.1% to install new heating equipment; 2% to renovate present bathrooms; 3.5% to make repairs; 1.7% to install new plumbing; .9% to refinish floors; 2.3% to remodel outside; .9% to finish attic or basement; 3.2% to do miscellaneous jobs.

In addition to improving their homes, 67% of the farmers who own their own farms say they would make farm improvements. 20.3% farmers say they would build outbuildings; 20.3% would repair barns; 13.0% would repair outbuildings; 14.6% would build new barns; 9.9% would build or repair fences; 13.0% would make "other repairs"; 6.3% farmers say they would repair tenant houses; 12.5% would paint buildings; 6.3% would build new tenant houses; 6.3% would make miscellaneous improvements.

The survey, just brought up to date, shows an ever-increasing public demand for things made scarce by wartime restrictions. It is based on samplings, through personal interviews with families making up the mass market of America—urban and rural families having incomes not in excess of $4,000 annually. The figures obtained, it is shown, in many instances probably represent sharp underestimates of the consumer demand likely to appear immediately after the war.

"For example," says the chamber, "on types of purchases where the cost is nominal, many people do little or no advance planning and therefore the index of current buying intent on such items is less than the actual consumer demand that will likely develop when consumer goods are again availabe without restrictions.

Even on larger items, where advance planning is more of a factor, there is reason to believe that the revival of time-payment plans, and the renewal of advertising and merchandising activities will tend to stimulate additional purchases by people who are not in the market today.

Accumulate Funds

"Our report indicates that not only are people planning early postwar purchases, but they are also accumulating the necessary money for these purchases. More than half of all respondents, 51%, say they now have accumulated savings equal to at least a tenth of their annual income. Thus, a majority of the people intending to make purchases will have sizeable savings reserves to help them carry through their plans."

VICE-PRESIDENT

Senator Antoine J. Leger, K.C., who has been appointed vice-president of the board of commissioners-censors of the Provincial Bank of Canada. Mr. Leger is a barrister at Moncton, N.B. and a member of the executive committee of the Societe Nationale de l'Assomption and Societe Mutuelle de l'Assomption.

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THE FINANCIAL POST, TORONTO, CANADA

Have a "Coke" = Good winds have blown you here

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In far-off places, when Coca-Cola is on hand, you find it cementing friendships for fighting men of the United Nations. China knew Coca-Cola from Tientsin to Shanghai, from Hong Kong to Tsingtao. To Chinese and Canadian alike, *Have a "Coke"* are welcome words. They belong with friendliness and freedom. From Montreal to the Seven Seas, Coca-Cola stands for *the pause that refreshes,*—has become a symbol of good will among the friendly-minded.

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It's natural for popular names to acquire friendly abbreviations. That's why you hear Coca-Cola called "Coke". 578

THE COCA-COLA COMPANY OF CANADA, LIMITED

LONDON CALLING by Adelphi

London Buzzes With Invasion Talk; Note Little Alarm Over Hitler Threats

By ADELPHI

LONDON. — There are speculations of every kind as to where the invasion of Europe will take place but all we know is that it is certain and not far off. Newspaper experts say there can be no secret as to where the landings will take place since the Allied Forces will naturally operate under fighter protection which is limited to 100 miles beyond the French coast.

This seems logical enough but war, like truth, is seldom simple. With 1,500 miles of Europe's coastline to choose from, the selection of landing places need not be purely automatic.

The fighter squadrons of the RAF are longing for a big scrap. I was talking to a Spitfire pilot the other day who said that he had done 49 sweeps over France and had only once seen an enemy plane. In the meantime we hear a lot about Germany's rocket guns and Hitler gave his people a New Year's prophecy of a most terrible retribution against England, but no one is particularly worried.

Common sense suggests that if Hitler could hit back he would do it now. It is not in the nature of dictators to hold their hand when being knocked all around the ring.

* * *

Goebbels Glee Singers

The unfortunate Goebbels and his propaganda glee singers are having an awful time. Even when they announced that the Scharnhorst had sunk a dozen of our ships, their voices carried no conviction.

Incidentally the sinking of the Scharnhorst is more important than a mere extra twist of the thumbscrew on the German people.

It was sunk during a day which had only a few minutes of light. Let us put it another way. It was hit by gunners who could not see the ship at all. The Japanese Navy must read this news with the gravest apprehension. I cannot say any more on this subject but its significance needs no underlining.

* * *

Berlin Weather

Studying the German newspapers these days is an interesting pastime. On Nov. 23 the Deutsche Allgemeine Zeitung carried advertisements of 36 principal theatres and cinemas in Berlin. On Dec. 15 the number had been reduced to six. I have just looked at the most recent copy. There are no theatres or cinemas at all.

Only those who have experienced the cold severity of winter in Berlin can at all realize the horror of the fires which the RAF have caused there. In many cases it would be impossible for the fire brigade to pump the water for their hoses.

The editor of the Deutsche Allgemeine is the smooth little ex-naval officer, Dr. Silex. He married an Englishwoman and then divorced her. In 1938 he came back to London and re-married her. On that occasion a number of M.P.'s gave him a dinner in a private room of the House of Commons. Sir Archibald Sinclair was one of those who were present. Among the questions put to Silex was this: "As an editor, proud of the traditions of the press, how do you feel when you are ordered to publish stories of Czech atrocities against the Sudetens when you know that every word is a lie?"

Silex was quite undisturbed. "I am always ready to commit a wrong in order to remedy a greater wrong," he said. He made no attempt to pretend there had been any atrocities.

* * *

McNaughton Record

There is universal sympathy here for General McNaughton. At one time his reputation in Britain stood so high there was a demand from a section of the House of Commons that he be made one of four men to run the war as a supreme Empire Council.

Then about a year ago there were rumors that all was not well between the War Office and the Canadian C-in-C. There is no question but that he came under criticism after some combined manoeuvres with the British, but whether they were directed against him personally or directed at some of his chiefs of staff is not generally known.

In a war like this, of such changing tactics, it would have been a miracle if a C-in-C who had no chance of taking part in sustained active operations in a battle area could have kept in touch with every new development.

But this much is certain. General McNaughton set such an example of personal honor to his troops that despite years of grinding work and little fighting the Canadians have won the respect and affection of the whole of England. War is a terrible maker and breaker of reputations, but General McNaughton's achievement is hewn out of the rock of character and will endure.

* * *

Canadian Knighted

Sir Ernest Cooper is a Canadian who has well earned the knighthood which was conferred on him at New Year's. He came over here before the last war and rose to be the head of the Auto-Strop Razor Co. of Britain. So energetically did he conduct this enterprise that eventually he made a merger with the Gillette Co. and, when the smoke cleared away, it was Cooper's organization that had management control.

When this war began he joined the Committee of the Canadian Red Cross and also went to the Ministry of Aircraft Production in an unpaid job under Lord Beaverbrook. Later on he crossed to Ulster and became economic adviser to the Government there. Having completed that task, he is now unofficial Minister of Information to the Northern Irish Administration. He is determined that the people of Ulster will be understood by the world at large, and he is equally insistent that the United Nations shall appreciate what Ulster's loyalty has meant to the Allied cause at sea.

Sir Ernest is not as flamboyant as some of the Canadians who have made good in England, but he is respected and liked for his sincerity, his kindness and his purposefulness.

ELECTED

Clement Trèmblay of Ayers Ltd., Lachute, Que., who has been elected to the board of commissioners-censors of The Provincial Bank of Canada. Mr. Tremblay is also president Melbourne Merchandising Ltd.

THE WASHINGTON LETTER

U. S. Universal Draft Proposal Seen Smoke Screen For Strike Crisis

By LAWRENCE SULLIVAN

WASHINGTON. — There appears little likelihood that the President's proposal for a universal labor draft, reaching both men and women, will be approved by Congress. Both House and Senate shelved that measure in the previous session, and the comment last week indicated virtually no change of sentiment on the issue during the brief recess.

There is some indignation that Mr. Roosevelt elected to ignore the troublesome strike issue in his message, particularly among those members of Congress who came back to Washington from their holiday among the folk back home in a raring mood to enact drastic anti-strike legislation.

Because of the President's adroit manoeuvre proposing the universal labor draft, every member of Congress necessarily finds himself now on the same side of the issue with organized labor. Thus, Mr. Roosevelt has at one stroke evaded the difficult strike issue, placed Congress in the position of supporting labor's position against the labor draft, and made a capital political appeal for the soldier vote, since the men in uniform are most indignant over strikes and demand the labor draft as a measure of equality between service and nonservice men.

On the whole, the President's message is generally interpreted as equivalent to a formal announcement of his Fourth Term candidacy.

* * *

Ominous Labor Ferment

But strikes and labor relations are by no means submerged in Congress. While the President has avoided joining the issue between himself and Capitol Hill, a somewhat bitter and ominous ferment is visible in every nook and cranny of Congress.

An official report from the Department of Labor discloses there were 3,737 strikes in the U. S. during 1943, a considerable increase over the average of 2,968 a year for the period 1927-41 inclusive.

Why should there have been an increase of 26% in strikes last year, our second critical year after Pearl Harbor, as compared with the peacetime average for the 15 years before Pearl Harbor? And what is the real significance of the much discussed no-strike pledges given at the White House in April, 1942, by both the AFL and CIO?

In addition, there were 14,861 secondary labor disputes throughout the country during 1943, as settled or adjudicated by the Conciliation Service of the Department. In addition there were several thousand other disputes, mostly local in character, in which state mediation services intervened.

Every labor dispute of course entails some impairment of war production, if only for a day or two. The Labor Department tabulates statistics, however, only on those which actually flower into strikes of more than one day's duration.

* * *

..Greatest Man-day Loss Since 1937

By this latter definition, total man-days lost in strikes last year were greatest since 1937, the year of the historic sit-down epidemic in the Michigan automobile centres.

Congress insists that federal labor policy needs a drastic overhaul, and that the proposed labor draft could not prove an acceptable substitute for a sound, workable labor policy in tune with the American tradition of competitive free enterprise.

Out of the unhappy labor situation arises a new demand that the Secretary of Labor, Madam Frances Perkins, step aside in favor of a more vigorous and effective administrator. Although the Labor Department was established 25 years ago expressly to handle labor administration, there are today some 14 other federal agencies, apart from the department, which have a finger in labor policies and programs.

For 10 years labor has been coddled and cajoled for political profit. Now the pet kitten has attained full stature and is charging around the political china shop like a ravenous tiger. Madam Perkins is simply aghast.

* * *

Labor Penalties Proposed

First specific proposal to penalize labor organizations for wartime strikes was offered in the House the day after the President's message was read. It was by Rep. Howard W. Smith, a militant constitutional Democrat from Virginia, who has investigated the abuses of labor privileges almost constantly since 1938.

Smith proposes to withdraw from all striking labor organizations for the duration whatever privileges and protections ordinarily would accrue to themselves or their members under existing federal laws. In other words, spokesmen for organizations having strikes on their record during wartime would be denied the right to appear before federal labor tribunals on wage cases. They would likewise be denied all protection against anti-trust prosecutions, from which they are now specifically exempted. Similarly, they would be denied all right to appeal to the Labor Department for enforcement of labor standards and minimum wage laws.

In short, the Smith proposal simply would disfranchise striking labor organizations within the entire range of federal statutes, and for the duration. This would avoid direct criminal penalties upon the strikers themselves, but would impose strong disciplinary measures upon the top labor leaders who, in most cases, call the strikes, or incite the disputes which lead to strikes.

This bill has the merit of penalizing war strikes without in any way curtailing the basic right to strike in normal times. Labor has paid lip service repeatedly to its willingness to forego strikes during the war. Its endorsement of the Smith Bill would give real effect to such expressions.

United Steel Corp. Operations Hold

Operations of United Steel Corp. for 1943 were maintained at the level of 1942, The Financial Post is informed. Although the earnings statement is still in preparation, it is anticipated that net for 1943 will also follow the 1942 pattern closely. This, of course, is before allowing for income and excess profits tax which will be higher because of a full year's operations at the 100% rate.

Operations continue to be roughly 90% war work, and there is no sign of any imminent reconversion to peacetime production. A substantial backlog in the company's established lines is awaiting a let-up in war production, and it is understood that the company has new lines developed for postwar operations.

Department of Labour

NOTICE

TO

EMPLOYERS OF TECHNICAL PERSONNEL

Your attention is directed to:

NATIONAL SELECTIVE SERVICE REGULATIONS — Order in Council 246, Part III, Technical Personnel, Section 305, Subsection 1, reading as follows:

"All persons employing technical personnel from time to time, at the request of the Minister (of Labour) shall supply him with such information as he may specify with reference to their present and future requirements of technical persons for essential work."

Where such requirements include any engineering or science students who, through graduation from a recognized University during 1944, become technical personnel, it shall be the duty of the prospective employer to notify the Minister forthwith of such needs through the Wartime Bureau of Technical Personnel.

The information to accompany such notification of requirements shall include,

1. The anticipated number of prospective employees.
2. The nature of proposed occupation of each.
3. The type of training deemed best adapted to the occupation proposed.
4. Remuneration with respect of each position to be filled.

The filing of such requirements shall be no guarantee of their being filled. Each case will be considered on its merits and therefore such information should be submitted as will provide a basis for decision as to the labour priority of the work involved.

University courses which lead to graduates being classed as technical personnel include all branches of Engineering, Agricultural Science, Architecture, Forestry, Veterinary Science, Household Science courses which lead to a degree and various General Science and Honour Science courses (Mathematics, Physics, Chemistry, Biology, Geology and other natural science courses).

Prospective employers who fail to submit their requirements by February 15th, 1944, shall be deemed not to need the services of 1944 graduates in engineering and science courses and no provision can be made for requirements filed after that date.

HUMPHREY MITCHELL, *Minister of Labour*

A. MacNAMARA, *Director, National Selective Service*

OTTAWA, CANADA, JANUARY 14th, 1944

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THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED
25 KING STREET WEST, TORONTO